此亦周报

VOL.54 NO.47 NOVEMBER 24, 2011



http://www.bjreview.com ISSN 1000-9140



INTERNET SECURITY RAISES TOUGH CHOICES Page 12
HARNESSING THE TALENT OF CHINA'S YOUNG PRODIGIES Page 38

北京周度 英文版 2011年 第47編 ISSN 1000-9140 广告许可证 0171号 北京市期目登记证第733号 郵发代号2-922・国内统 目号 CN11-15767G2 国内零售价 人民币6-00元 CHINA.....RMB 6.00 U.S.A......USD 1.70 AUSTRALIA.....AUD 3.00 UK.....GBP 1.20 CANADA.....CAD 2.60 SWITZERLAND.....CHF 2.60 JAPAN.....JPY 188 EUROPE.....EURO 1.90 TURKEY......YTL 5.00 HK.....HKD 9.30 NEPAL.....RS 40

英语学习

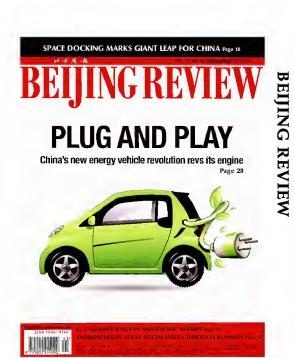
水浸河横iyd.me

想自由地在显示屏上阅读杂志和报纸?你可以来 我爱阅读网转一转。这里有许多扫描版的报刊杂志,也许你能找到一本你喜欢的。



















中外建筑

BEIJING REVIEW VOL. 54 NO. 47 NOVEMBER 24, 2011

EDITOR'S DESK

2 Foundation of Democracy

PEOPLE & POINTS

WEEKLY WATCH

WORLD

10 Pacific Standard Debating U.S.-led Asia-Pacific trade pact

- 12 Real Rules for Virtual Space Tackling threats on the Internet
- 14 Empowering African States China contributes to peace in Africa

NATION

18 Grassroots Elections in **Full Swing** Chinese voters head to the polls

22 An Equal Chance More rural representation

24 Glass Sword of Damocles Safety fears hit China's skyscrapers

BUSINESS

- 28 Steel Planning China's steel industry plots a new course
- 30 Goodbye Incandescents Energy-efficient bulbs soon in every home
- 32 A Province in Motion Hebei's bold ambitions
- 34 Market Watch

LIFESTYLE

38 In the Name of Genius How to raise a child prodigy

- 40 Scene Shifting Industrial zone to tourist trap in Luanxian
- 42 Mistake Survivor How the CPC wins support

FORUM

46 Should Universities Use Family Background as a Standard For Recruiting Students?

EXPAT'S EYE

48 Herbert the Cabbie Talking to taxi drivers



此本局被

BEIJING REVIEW

A News Weekly Magazine Published Since 1958

http://www.bireview.com E-mall: contact@bjreview.com.cn

President & Editor in Chief: Wang Gangyi Vice President: Qi Wengoni

Associate Editors in Chief: Li Jianguo, Huang Wei, Wang Yanjuan, Zhou Jianxiong Assistant President: Li Zhenzhou

Executive Editor: Ding Zhitao

Assistant Executive Editors: Yao Bin, Zhang Zhiping Editorial Administrators: Li Ning, Shi Bo Senior Consultant: Shao Haiming

Opinion Editor: Zan Jifang World Editor: Yan Wei Nation Editor: Yao Bin

Business Editors: Yu Shujun, Lan Xinzhen Culture Editor: Ding Wenlei Editorial Consultants: Brandon Taylo

Raknish Savan Wijewardene, Thomas Bradley Rippe

Staff Reporters: Tang Yuankai, Ding Ying, Wang Jun, Li Li, Liu Yunyun, Yin Pumin, Liu Yu, Pan Xiaoqiao, Hn Yue, Yuan Yuan, Wang Hairong,

Liu Xinlian, Yu Yan, Yu Lintao, Zhou Xiaoyan, Bai Shi Photo Editor: Wang Xiang

Photographers: Jiang Xiaoying, Wei Yao Art: Li Shigong Design & Layout: Xu Husheng, Wang Yajuan, Zhao Boyu

Proofreading: Qin Wenli, Ma Xin

Advertising Director: Zhang Di Human Resources: Zhang Xiaoli International Cooperation: Pan Shuangqin

> North America Bureau Chief Reporter: Chen Wen Tel/Fax: 1-201-792-0334

E-mail: chenwenwendy@gmail General Editorial Office

Fax: 86-10-68326628 English Edition Advertising Department Tel: 86-10-68995813 Fax: 86-10-68329398 mail: ad@bjreview.com.en

Distribution Department Tel: 86-10-68310644 Fax: 86-10-68328738

Published every Thursday by BEIJING REVIEW, 24 Baiwanzhuang Lu, Beijing 100037, China.

Overseas Distributor: China International Book Trading Corporation (Guoji Shudian), P. O. BOX 399, Beijing 100044, China Tel: 86-10-68413849 Fax: 86-10-68412166

E-mail: fp@mail.cibtc.com.cn Website: http://www.cibtc.com

General Distributor for Hong Kong, Macao and Taiwan:

Peace Book Co. Ltd. 17/Fl, Paramount Bldg, 12 Ka Yip St, Chai Wan, HK Tel: 852-28046687 Fax: 852-28046409

Beijing Review (USPS 2812) is published weekly in the United States for US \$64.00 per year by Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080 News Postage Paid at South San Francisco, CA 94080 POSTMASTER: Send address changes to *Beijing Review*, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080

SUBSCRIPTION RATES (1 Year)

AUD 148.80 New Zealand NZD 144.00 UK... ..GBP 53.80 U.S.A. ..US\$ 64.00 CAD 126.90 Canada.

Printed in China by C&C JOINT PRINTING Co. (BEIJING) Ltd.

Foundation of **Democracy**

By ZHANG ZHIPING

The election of China's new county- and township-level people's congresses has been underway since July this year. This is the first election after China amended its Electoral Law in March 2010, which grants equal representation in legislative bodies to rural and urban

November 8 was the polling day for new people's congresses in Beijing's districts, counties and townships. On that day, 9.1 million people participated in the voting, 97 percent of the registered voters. The turnout is the highest in recent three elections. Judging from elections around the country, great progress has been made in guaranteeing voters' rights to know, to participate, to express and to supervise. The amended Electoral Law has greatly promoted grassroots democracy in China.

China's electoral system consists of direct and indirect elections. According to the Electoral Law, county- and township-level people's congresses are elected directly by their constituencies, while provincial people's congresses and the National People's Congress, the country's top legislature, are elected by people's congresses at the next level down.

The ongoing elections will produce more than 2,000 countylevel and 30,000 township-level people's congresses with more than 2 million deputies, which is bound to have a huge impact on the political landscape in China.

As is stipulated by the amended Electoral Law, people's congress elections now use the same ratio of deputies to the represented population in urban and rural areas, while in the past, the number of people that a rural deputy represented was four times that of an urban deputy. The law also states that election committees shall, upon request of voters, arrange meetings between deputy candidates and voters.

According to official statistics, more than 90 percent of registered voters cast their ballots in provinces and autonomous regions that have held people's congress elections. Election organizers have taken effective measures to ensure more floating people exercise their right to vote

China still has a lot more to do in organizing elections. For instance, in some regions, voters are given no secrecy when writing their votes, and communication between deputy candidates and voters is far from sufficient. Also, some voters are not fully aware of their rights enshrined in the law.

A sound electoral system can arouse the enthusiasm of voters. Only when elections are in accordance with all regulations and original purposes of the Electoral Law, can the initiative of voters be brought up for giving out careful and responsible votes. And only in that way can real democracy be realized in the heart of every common Chinese.

Honored Economist



China's esteemed economist Fan Gang was awarded by the Royal Roads University in Canada for his achievements in economic research and contribution to the deepening of trade between China and Canada.

Fan, 58, has been granted the honorary doctor of laws degree by the Canadian university for his instrumental role and leadership in China's economy. He got his doctoral degree

in economics at the Chinese Academy of Social Sciences (CASS) in 1988 and has worked for the Institute of Economics under the CASS since then. Fan is a professor at Peking University and the Graduate School of the CASS, mainly studying theoretical economics and China's macro economy. He has published many papers in internationally prestigious academic journals. He is also director of the National Economic Research Institute at the China Reform Foundation and president of the foundation.

Young Genius



Zhao Bowen, a middle school dropout in Beijing, has drawn public attention as he is now leading a research team consisting of more than 20 experts at the BGI, China's largest genome and bioinformatics analysis center in Shenzhen, south China's Guangdong Province.

Zhao, 19, was a student at the High School Affiliated with Renmin University of China.

Zhao started an internship and did biotic experiments at the research institutes of the Chinese Academy of Agricultural Sciences (CAAS) while in junior middle school. He later got a research position at BGI because of the recommendation of his tutor at CAAS. During the summer vacation of the second year of senior middle school, Zhao began his internship at BGI and was asked to work there as a result of his excellent performance. Zhao chose to quit school and be a full-time researcher at BGI.

Dubbed "China's Bill Gates" by BGI's president Wang Jian, Zhao is now the leader of the research of the genome analysis of human beings' cognitive ability. From 2010, he has led domestic and foreign experts on mathematics, physics and psychology to study how the human genome influences intellectual differences in humans.

Sentenced Musician



Su Yue, a well-known composer in China, has been sentenced to life imprisonment for contract fraud in the name of a bogus Olympic tour involving 57.46 million yuan (\$9.05 million). Su said the money had been spent paying back debt caused by poor management of his own company.

From December 2007 to October 2008, Su forged materials purportedly arranging an Olympic tour to celebrate the 2008 Beijing

Olympic Games and defrauded money from two companies and another person using counterfeited contracts.

Su is a senior composer, musician and musical producer. He is a director of the Music Copyright Society of China and a member of the Chinese Musicians Association. During the 1980s, he wrote many popular songs and cultivated many popular singing acts. "If the rules are made by the international community through agreement and China is part of it, China will definitely abide by them. But if the rules are decided by one or several countries, China does not have the obligation to observe them."

Pang Sen, Deputy Director of the Department of International Organizations and Conferences of the Chinese Foreign Ministry, in response to U.S. Trade Representative Ron Kirk's demand that China play by the rules, at a press briefing in Honolulu, Hawaii, the United States, on November 14

"China is and will always be capable of supporting its elderly population as long as it continues to enjoy social stability and economic growth."

Hu Xiaoyi, Vice Minister of Human Resources and Social Security, making the remark in an article of the *People's Daily* newspaper on November 17 while discussing the challenges facing China's pension fund plan

"As the largest trading nation, the second largest national economy and the third largest currency area, China should have an influence in the international monetary system second only to the United States and Europe."

Nobel-laureate economist Robert Mundell, stressing that China's currency should play a greater role in a possible future international monetary system, in an interview with Xinhua News Agency in Hangzhou, east China's Zhejiang Province, on November 14

"Moscow believes the road of sanctions against Iran was dead-ended. To threaten with sanctions and air-strikes can only delay a solution by negotiation."

Russian Foreign Minister Sergei Lavrov, during a stopover while returning from Hawaii to Moscow on November 14

"As I said, change brings opportunities, an opportunity to begin to refashion the EU so it better serves this nation's interests and the interests of its other 26 nations."

British Prime Minister David Cameron, in a keynote foreign policy speech in London on November 14, against a background of financial and political uncertainty and change in the EU and the eurozone

OPINION

Mental Health

A government-subsidized counseling center for teenagers has recently been established in Quanzhou, southeast China's Fujian Province. In the center, volunteer psychologists offer totally free services to teenagers and young adults. More similar agencies are needed in China because counseling services are expensive and not easily available.

Since China's society is undergoing rapid changes, teenagers, who generally have stronger personalities compared with their parents' generation, are prone to mental issues like depression and paranoia. Meanwhile, young people's mental health has often been ignored since teachers and parents tend to pay more attention to their intellectual development. A recent survey carried out in Tianjin Municipality among 1.6 million teenagers and young adults reveals that around 13 percent of them have mental problems.

Tragedies caused by mental crises, such as suicides, have taken away many young lives, especially in large factories or university campuses, where a large number of young people live together.

China does not have enough certified counselors. Psychological counseling is usually priced at between 100 yuan (\$15.9) and 500 yuan (\$79.4) for a session of 50 minutes. Therefore, long-term therapy is unaffordable to students and young people early in their careers, which means they could miss the best opportunity to save themselves from crises.

We should encourage organizations and agencies to provide more free counseling services, which will help the young generation to grow up healthily.

Workers' Daily

Food Safety

Ninety percent of food tested has passed safety inspection, said Pu Changcheng, Vice Minister of the General Administration of Quality Supervision, Inspection and Quarantine.

The high rate may be true but obviously does not match the public's feeling, because the three food safety measurement factors adopted in China, on which the qualification standard is supposed to be based—national standards, testing techniques and safety monitoring—can hardly satisfy the masses.

Some transnational companies' practices are amplifying the defects of China's current food safety standards. For instance, in 2009, Nestle's infant cereal was found to contain genetically modified (GM) ingredients, but China's laws and regulations can do nothing about it, because China's legal regulations do not require food companies to provide GM information on infant cereal packages. If the rules used to measure food safety are deficient, that is, when there is a low threshold for food safety, naturally, there will be high approval rate.

The bigger worry is that food safety testing techniques and equipment in China always lag behind. Take "gutter oil," or inedible oil, as a typical example, it seems immune to any of China's current food safety tests. Of China's existing 2,200 food additives, only a quarter are subject to inspection standards.

As for food safety monitoring, too many incidents are disclosed by the media or ordinary netizens, instead of by official watchdogs. The loopholes in the monitoring networks make food qualification rates even harder to believe.

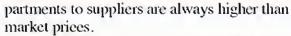
Guangzhou Daily

Government Purchase

It was recently disclosed that some administrative departments of central China's Hunan Province played tricks in purehasing office facilities. A purchase that could have been made at 15 million yuan (\$2.3 million) finally was made at 30 million yuan (\$4.6 million). The department involved claims that if this year's budget is too low, these departments may not be able to apply for too much budget allocation next year.

These words clearly explain why purchase prices offered by government de-

> AFFORDABLE HOUSING: In October, 85,000 affordable houses were completed ahead of time in Guangzhou, south China's Guangdong Province



According to China's financial budget system, next year's budget allocation is based on this year's expenses, which means, if you can't spend all of the budget this year, you might receive a lower budget allocation next year. Thus, how to spend the remaining funds of the current budget at the end of the year becomes a "big task" for many government departments.

Due to this "negative encouragement," more and more government departments become extravagant. Therefore, only by replacing this negative process with a positive tool can we see more frugal government agencies.

The practice of Xi'an, capital of northwest China's Shaanxi Province, may serve as a good solution. The government sets up a purchase platform on its website, two or more suppliers that intend to bid for the program then compete in terms of the price. Then relevant experts come to check the suppliers' goods. If the goods are ok, the department will sign a contract with the supplier, but the payment is not offered by the office itself, but by the local financial bureau. In that case, purchase prices will drop.

Guangzhou Daily

Affordable Housing

In March the State Council of China announced an ambitious national drive to build affordable housing for low- and middle-income groups. This year will see the beginning of construction on 10 million new units. However, it has been recently reported that one third of the affordable housing projects being constructed are still at the stage of digging pits.

In response to reports questioning the progress of this campaign, officials from the Ministry of Housing and Urban-Rural Development told the media that "beginning of construction" means that the buildings should at least have their foundations being built while projects whose pits are being dug or temporary enclosures being built should not be counted.

Understandably, we cannot demand that all of the 10 million new apartments be completed by the end of this year. However, instead of constantly monitoring whether the projects, foundations or walls have been built, the ministry should give a clear completion deadline for all the affordable housing projects. The ministry should also promulgate regulations on the punishments for the officials in areas that fail to finish their targets of affordable housing construction by the deadline. Only these measures can motivate local officials to effectively solve housing difficulties for disadvantaged groups by better

Dazhong Daily



managing their time and budget.



Safe Landing

A staff member opens the hatch of the re-entry capsule of the *Shenzhou* 8 spacecraft at a landing site in Siziwang Banner in north China's Inner Mongolia Autonomous Region on November 17.

The unmanned spacecraft returned to Earth after completing China's first-ever space docking mission.

Launched on November 1, the *Shenzhou 8* rendezvoused and docked with the *Tiangong-1* space lab module two days later. The conjoined vessels orbited Earth for 12 days and conducted another docking after a brief disengagement on November 14.

The *Tiangong-1*, which blasted off on September 29, will remain in orbit to await future docking attempts with the *Shenzhou 9* and *Shenzhou 10* spacecraft next year. At least one of the two scheduled docking missions will take astronauts into space.

http://www.bjreview.com NOVEMBER 24, 2011 BEIJING REVIEW 5

SOCIETY

Poverty Reduction

China has effectively solved the problems of subsistence, food and clothing for its rural residents, says a white paper released by the Chinese Government on November 16.

According to the white paper, titled New Progress in the Development-Oriented Poverty Reduction Program for Rural China, China's poverty-stricken rural population fell from 94.22 million at the end of 2000 to 26.88 million at the end of 2010.

The proportion of extremely poor people in the country's rural population decreased from 10.2 percent to 2.8 percent over the same period.

The white paper says China has realized, ahead of schedule, the goal of cutting its impoverished rural population by half, which was listed in the UN Millennium Development Goals, thus making a great contribution to the world's poverty reduction efforts.

Talent Search

China has launched 12 major programs in order to recruit skilled professionals, academics and experts, in various fields from home and abroad, to meet the nation's huge demand for outstanding personnel.

These programs are part of the government's blueprint to create a highly skilled national workforce by 2020.

Among the programs, the 1,000 Plan or the Recruitment Program of Global Experts, is a special plan targeted at recruiting "innovative" talent from overseas, particularly from Chinese studying abroad.

As of August, 1,510 top-level scientists and professionals had been recruited to work in China under the 1,000 Plan, according to statistics.

Those who choose to join the scheme are eligible for awards of up to 500,000 yuan (\$78,743) in cash. Scientific research funds of between 1 million yuan (\$157,490) and 3

million yuan (\$472,470) are also available to researchers who participate in the program.

Narcotics Fight

China will work with its Asian neighbors under a cross-border initiative to curb the trafficking of precursor chemicals to Afghanistan for use in making heroin, said China's Ministry of Public Security on November 15.

Operation TARCET, or Targeted anti-Trafficking Regional Communication, Expertise and Training, was launched by the United Nations Office on Drugs and Crime and the International Narcotics Control Board in 2007, focusing on the smuggling of acetic anhydride, a chemical compound used in the synthesis of heroin.

Several Asian countries, including Afghanistan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Pakistan, are participating in the program. China joined in 2009

Chinese police will share intelligence with police in participating countries, provide training for police officers and increase border controls under the operation, the ministry said.

Heating Up

A national scientific report estimates that sea levels around China will rise by 80 mm to 130 mm over the coming two decades, due to global warming.

The Second National Assessment Report on Climate Change, a joint work by the Ministry of Science and Technology, the China Meteorological Administration and the Chinese Academy of Sciences, also says the average temperature of the land surface in China had increased 1.38 degrees centigrade between 1951 to 2009.

China's glaciers have shrunk by 10 percent over the past 60 years as a result of rising temperatures, according to the report.



ADMIRING ANCIENT CHINA A visitor appreciates exhibits at an art exhibition of China's Tang Dynasty (618-907) artifacts in the Drents Museum in Assen, northern Netherlands, on November 15



NETWORK
An Air China
hostess
instructs
passengers
on board
Flight CA1405
on the use of
in-flight WiFi
services on
November 15
when China's
largest
carrier began
trialing the

service

WIRELESS



FINTELLIGEN **AGENT** A robot designed by college students catches the eye of visitors to the Beijing International Cultural and Creative Industry Expo on November 12

ECONOMY

Financial Assessment

China Financial Sector Assessment Program reports published by the IMF and the World Bank on November 15 applauded the progress China has made in its transition toward a more commercially oriented and financially sound system.

But the reports also warned that the country faces a steady build-up in vulner-abilities and listed interest and exchange rate reforms as top priorities.

The People's Bank of China, the central bank, said that the reports are generally objective, positive and affirmative and that suggestions are constructive. However, certain views in the report are not sufficiently comprehensive or objective.

The central bank said specific timing and sequence of several proposed reforms should be based on further research of the country's actual conditions.

China has made great progress in intercst- and exchange-rate reforms, and market mechanisms have played a fundamental role in the formation of China's interest and exchange rates, the central bank said, adding that the country will remain flexible in promoting reforms based on the country's conditions.

New Gas Artery

China's third west-to-cast gas pipeline is expected to become operational by the end of 2013 and will carry about 30 billion cubic meters of gas annually, *China Daily* reported.

The 5,200-km project will include one artery, six branch lines, three gas storage facilities and a liquefied natural gas terminal, and the pipeline will run from the Xinjiang Uygur Autonomous Region to Fuzhou, capital of southeast China's Fujian Province.

The project is operated by PetroChina Co. Ltd., the listed arm of the country's big-



BACK TO WORK

Workers conduct a security check on the new CRH380BL bullet train at a Changchun Railway Vehicle Co. Ltd. facility. The train model, recalled due to quality problems in August, was officially put back into operation on November 16

gest energy conglomerate, China National Petroleum Corp.

CCB Unaffected

Bank of America said on November 14 that it would sell most of its remaining shares, or about 10.4 billion H-shares, in China Construction Bank (CCB) to bolster its capital base.

"The selling by the Bank of America is a pure market act for its own reasons, and it is not going to affect the development of our operations," said a CCB spokesman.

Bank of America has cut its stake in CCB several times since 2009. After the latest sale, the bank will own about 1 percent of CCB's common shares.

Derailed Investment

China's railway investment in the first 10 months of this year fell sharply, as the Ministry of Railways (MOR) is facing mounting pressure to pay off creditors.

The MOR announced on November 15 that its fixed-asset investments and infrastructure investments reached 429 billion yuan (\$67.56 billion) and 367 billion yuan (\$57.8 billion) in the first 10 months of this

year, representing a sharp decrease of 25.2 percent and 28 percent from a year ago.

Previous data show that the MOR's outstanding debt totaled 2.23 trillion yuan (\$351.18 billion) as of the end of September, creating significant pressure for the ministry, as debt payments peaked in the fourth quarter.

Financing Small Firms

The China Banking Regulatory Commission has given the green light to three banks to auction special bonds worth 110 billion yuan (\$17.32 billion) to finance loans to micro and small enterprises, in its latest efforts to lend support to struggling businesses.

China Minsheng Bank, Industrial Bank and Shanghai Pudong Development Bank were permitted to issue bonds of up to 50 billion yuan (\$7.73 billion), 30 billion yuan (\$4.72 billion) and 30 billion yuan, respectively, to channel loans to enterprises borrowing less than 5 million yuan (\$787,402).

The loans under the policy will be excluded from the banks' loan-to-deposit ratio calculation.

The move is subject to approval from the People's Bank of China.



BUSINESS A charity flea market, which was organized to raise funds for students in

GOODWILL

for students in impoverished regions, draws residents in Hangzhou, Zhejiang Province, on November 13



SHOWTIME

The JF-17 Thunder fighter, a combat aircraft developed by China, on display at the 12th Dubai International Airshow in the United Arab **Emirates on** November 13

1. MALDIVES

Indian Prime Minister Manmohan Singh speaks with Pakistani Prime Minister Yousuf Raza Gilani on the sidelines of the 17th South Asian Association for Regional Cooperation Summit in Addu City on November 10

2. FRANCE

French veterans attend a ceremony at the *Arc de Triomphe* in Paris on November 11 as part of the Armistice Day celebrations marking the 93rd anniversary of the end of World War I

3. BRAZIL

A Brazilian Navy assault vehicle in the Rocinha Favela in Rio de Janeiro on November 13. Police forces launched a major operation to drive criminals from the city's shantytowns







4. JAPAN

Japanese auto giant Nissan displays a Pivo 3 concept model at its headquarters in Yokohama for the first time to the public on November 12. The smart urban commuter car can park automatically in specially equipped parking lots

5. LIBYA

Passengers disembark from the first tourist ship to dock in Tripoli since the ouster of Muammar Gaddafi on November 10, following the resumption of maritime traffic between the Mediterranean island nation of Malta and the Libyan capital

6. THE UNITED STATES

Demonstrators rally outside
Zuccotti Park in New York City
on November 15 after police removed
the "Occupy Wall Street" protesters
who had camped in the park for
nearly two months







Pacific Standard

The United States pushes for greater economic integration of the Asia-Pacific region

By CHEN WEN

arack Obama has been an active free trade promoter in recent months. The U.S. president signed free trade agreements with South Korea, Colombia and Panama in October. He then brought a new trade deal to the Asia-Pacific region. When hosting the APEC Summit in Honolulu, Hawaii in November, he put the Trans-Pacific Partnership (TPP), a previously little-known cause, at the top of his agenda.

The TPP is a multilateral free trade agreement originally signed in June 2005 by Brunei, Chile, New Zealand and Singapore. Over the past years, Australia, Malaysia, Peru, the United States and Viet Nam have also been negotiating to join the group.

As one of the numerous trade arrangements in the burgeoning Asia-Pacific region, the TPP could play a positive role, analysts said. But it should address the concerns of all regional players instead of imposing high standards in disregard of the region's huge economic diversity.

A step forward

Leaders of the nine nations have agreed on the "broad outlines" of the TPP agreement, Obama said at the APEC Summit on November 12.

"There are still plenty of details to work out, but we are confident that we can do so. So we've directed our teams to finalize this agreement in the coming year," Obama said.

The proposed trade pact's details mostly remain confidential, but countries will agree to a single schedule of tariff reduction and common regulations for seamless business operations across borders. The trade deal will cover areas traditionally included in trade agreements as well as services, intellectual property, investment and state-owned enterprises, and could bring most import tariffs on trade within the group to zero over a 10-year period after the negotiations are completed.

According to the Singapore Institute of International Affairs (SIIA), the nine countries currently engaged in TPP negotiations aimed to reach a final agreement by July 2012. "The July date also means the TPP might be signed before Obama faces the U.S. presidential elections, giving him a boost as he seeks a second term," said an article posted on the research institute's website.

Analysts said the U.S.-led TPP agreement will reaffirm U.S. engagement with Asia. By finalizing this trade deal, Obama "seeks to cement the United States' economic role in Asia," said Bernard Gordon, a professor of political science with the University of New Hampshire, in his recent article published in *Foreign Affairs*.

Japanese Prime Minister Yoshihiko Noda announced Japan was joining TPP negotiations on November 11, a widely anticipated statement that observers argued would elevate the importance of the pact.

With Japan, the world's third largest economy, on board, the size of that free market zone will be widened substantially. The eight TPP partners account for less than 6 percent of U.S. trade, about the same amount as U.S. trade with Japan alone. A combination of the economic clout of the United States and Japan might attract others to join the club.

But Japan's accession to the TPP depends on its ability to reform and open its agriculture sector. And there are skepticism and opposition in Japan regarding the merits of the trade pact. Japan needs to overcome these hurdles before becoming a TPP member.

Canada and Mexico also expressed their interest in joining the TPP as the APEC Summit wrapped up.

Open attitude

China, the world's second largest economy next to the United States, has yet to announce any intention to join TPP talks.

Pang Sen, Deputy Director General of the Department of International Organizations and Conferences at the Chinese Foreign Ministry, said at a news conference after the APEC Summit that China will "earnestly study" the TPP. China has "an open attitude to all mechanisms that are beneficial to promoting economic integration in the Asia-Pacific region," Pang said, adding that such mechanisms should be "open, transparent and inclusive" to make a difference.

China has earlier said it supports free trade in the Asia-Pacific region and will watch the progress of the TPP. It has also indicated the thresholds for the TPP are too high for some developing countries, including China.

Though the United States has touted the TPP as a "21st-century agreement" that will



lead to flourishing regional trade, its real economic effects remain uncertain.

"We still need to analyze whether or not it is in line with the interests of most countries in this region as well as its impact on the world economy," said Song Yinghui, a researcher with the China Institutes of Contemporary International Relations. Whether China should join the group will depend on a comprehensive analysis of the TPP's overall impacts, Song added.

The TPP presents a new model for economic and trade cooperation in the Asia-Pacific region, which might inject vigor into economic and trade relations in the region,





AT THE TABLE: APEC leaders at their 19th summit in Honolulu, Hawaii on November 13

she said. But many of the high standards the TPP has set are designed to serve U.S. interests, sparking doubts in a number of countries.

For instance, the United States proposed to cut tariffs on environmental goods such as solar panels to 5 percent or lower. Since average U.S. tariffs on these products are 1.4 percent, the new proposal will not have any impact on the United States, but can help it penetrate other countries' markets.



FARMING BACKLASH: Japanese farmers protest against the TPP pact in Tokyo on November 10, 2010

Chinese experts said the TPP, as it stands, looks more like a tool for the United States to promote exports. Mei Xinyu, an associate research fellow with the Chinese Academy of International Trade and Economic Cooperation, said after the global financial meltdown, the Obama administration attached unprecedented importance to export strategies to boost economic growth and reassert U.S. influence.

Since Europe has been troubled by the sovereign debt crisis, and Canada and Latin America face problems such as weak growth and limited market capacity, the Asia-Pacific region has naturally become the top choice for U.S. exporters, he said.

Given its voluntary nature, APEC can hardly meet U.S. demands for the quick and compulsory opening of markets, nor can it respond to U.S. calls to attach political strings to trade. That's why Washington has turned to the TPP as an alternative, Mei said.

Return to Asia

Analysts argued the TPP initiative, despite its focus on free trade, has strategic implications for the Asia-Pacific region.

The TPP has become a "battleground for influence" in the Pacific region between China and the United States, said Simon Tay, Chairman of the SIIA, during an interview with the Council on Foreign Relations, a U.S. think tank based in New York City and Washington, D.C. Tay said the TPP will be a "game changer" for U.S. presence in the region.

U.S. economic engagement in Asia has been on the decline over the last decade and it has also lagged behind in the development of free trade areas (FTAs) in the region, said Joshua Meltzer, a research fellow with the Brookings Institution.

According to Meltzer, the United States has finalized FTAs only with Australia, Singapore and South Korea, while from 2000 to 2009, the number of FTAs in Asia increased from three to 54 and another 78 are under negotiation.

"U.S. absence from this proliferation of rule-making in Asia has limited the nation's role in designing the rules under which increasing amounts of trade and investment are occurring," Meltzer said.

Meltzer also pointed out that Asian economic architecture has matured in the past decade. A range of forums have been established for discussing economic goals, such as APEC, the ASEAN Plus Three mechanism (the Association of Southeast Asian Nations plus China, Japan and South Korea) and the East Asia Summit, which the United States has recently joined.

"Ensuring that the United States plays a key role in shaping Asian economic architecture will also affect its influence in the region," Meltzer said.

APEC Summit Outcomes

Ma Zhaoxu, a spokesman for the Chinese delegation, outlined the achievements of the Honolulu APEC Summit on November 13 as follows:

- Consensus on innovation policies, the development of small and medium-sized enterprises and battling trade protectionism
- Commitment to cutting tariff rates on environmental goods to 5 percent or less by the end of 2015, while taking into account individual economies' economic circumstances and without prejudice to their positions in the WTO
- Commitment to cutting the region's aggregate energy intensity by 45 percent by 2035
- Pledge to encourage all APEC members to take steps by 2013 to implement good regulatory practices, including ensuring internal coordination of regulatory work, assessing regulatory impacts and conducting public consultation

Source: Xinhua News Agency

The United States cannot afford to allow its presence in the Asia-Pacific region to weaken. After a decade of war in Iraq and Afghanistan, the Obama administration is bringing the United States back to Asia.

U.S. Secretary of State Hillary Clinton declared that this century will be "America's Pacific century" during a speech at the East-West Center in Honolulu on the sidelines of the APEC Summit.

"One of the most important tasks of American statecraft over the next decades will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in this region," Clinton said.

Obama's Asia-Pacific trip on November 11-19 also demonstrated Washington's increasing commitment to the region. After the APEC Summit in Hawaii, he visited Australia to celebrate 60 years of the U.S.-Australian alliance. He also made his debut at the East Asia Summit in Bali, Indonesia.

(Reporting in New York City with additional reports from Yan Wei in Beijing)

Real Rules for Virtual Space

The international community struggles to find common ground on cyber security

By TANG LAN



ore than 700 representatives from 60 countries recently attended the London Conference on Cyberspace, hosted by the British Foreign and Commonwealth Office.

The conference, held November 1-2, was aimed at helping devise international rules for the Internet. How to regulate activities in cyberspace and deal with various cyber threats has become a major world security focus. But it is difficult for countries to discard suspicions and establish mutual trust on cyber security.

Challenges

In recent years, nations around the world have become increasingly concerned about security in cyberspace. Cyber security currently faces challenges in five areas: technological advances, the wide application of information technology, cybercrimes, the growing influence of non-state actors in cyberspace and so-called "cyber warfare."

The more complicated cyber technologies and systems are, the bigger their potential bugs will be. New services, applications and technologies like social networking, mobile Internet and cloud computing pose huge challenges.

In the Information Age, financial services, energy, telecommunications and transportation facilities are closely linked. This has become a weak point of safety, as large-scale cyber attacks targeting these systems are on the rise. In 2011, hackers attacked financial institutions like the New York Stock Exchange, South Korea's National Agricultural Cooperative Federation, Citibank, the IMF, and the Stock Exchange of Hong Kong as well as defense technology companies such as U.S.-based Lockheed Martin and Japan's Mitsubishi Heavy Industries and IHI Corp.

The author is vice director of the Institute of Information and Social Development at the China Institutes of Contemporary International Relations Cyber criminals have built a giant network and developed an "underground economy." Cyber security provider Symantec Corp. has estimated the cost of cybercrimes worldwide at \$114 billion annually, exceeding the combined global black market in marijuana, cocaine and heroin.

The development of social networking gives everybody a chance to become a media center. Social networking is now an important platform for organizing protests. For instance, the "Occupy Together" movement originated from the Internet. Hacker organizations like Anonymous and LutzSec constantly challenge the authority of governments. They have not only attacked websites of big companies like Sony, but also hacked into the websites of U.S. Senate, the Central Intelligence Agency, Britain's Serious Organized Crime Agency and the Malaysian Government. Most countries are not yet fully prepared to manage these risks.

A number of countries, including the United States, France, Britain, South Korea and Japan, have established cyber commands, claiming to enhance cyber attack abilities. The United States, Australia and New Zealand recently for the first time men-

tioned cyber warfare in their national defense papers. According to *The New York Times*, there was a debate in the Barack Obama administration about whether or not a cyber attack should be conducted to disturb or even destroy Muammar Gaddafi's defense system. British Foreign Secretary William Hague said the world was in the grip of a new and financially crippling arms race in cyberspace, when interviewed by *The Sun* newspaper.

As British Prime Minister David Cameron pointed out during the London Conference on Cyberspace, the reason why the participants gathered to discuss cyber security is that the Internet has become as an important force for economic, social and political development, and threats from cyberspace are real and pressing. The conference focused on five themes: economic growth and development, social benefits, safe and reliable access, international security and cybercrimes. These issues present challenges to all countries and are the key for future development.

The participants reached consensus on dealing with cyber security challenges. They agreed the world needs a safe and trusted cyberspace and what is unacceptable offline is also unacceptable online. They pointed out maintaining cyber security is the common responsibility of governments, businesses, society and individuals, and all of them should obey existing international laws and traditional codes of conduct instead of jeopardizing world peace.

Difficulties

Making rules for cyberspace inevitably concerns the basic principles and core interests of all countries. Despite growing consensus, differences and disputes remain. Hague confessed at the London conference that reaching common understanding is a huge challenge.





Countries have quite different opinions about eyberspace rules. Some insist on following current international laws and regulations, such as the UN Charter, the law of war and the EU Convention on Cybercrime. Some believe no existing rules are suitable for eyberspace, and others suggest amending current laws and regulations to fit technological and social development.

When it comes to rule-making in cyberspace, it is hard to strike a balance between development and security, between openness and supervision, and between freedom and security. Governments are obligated to supervise cyberspace while refraining from hindering technological advances and infringing upon citizen rights. "Our task today and in the future is to strike a balance," Cameron said at the London conference.

Participants, however, disputed the role the government should play. Some expressed the view that the government should not take over overall management of eyberspace under the pretext of fighting cybercrimes or maintaining eyber security. The disputes come down to whether sovereignty in cyberspace should be recognized and if it is legal for the government to exercise jurisdiction over acts in cyberspace.

Countries care about who is the rule-maker of cyberspace. Many years ago, the UN issued several documents on protecting cyber security and combating cybererimes. The International Telecommunication Union, a specialized agency of the UN, has also developed international platforms for cyber security, like the World Summit on the Information Society and the Global Internet Governance Forum, and issued a series of guidelines on cyber security endeavoring to extend its functions to cyberspace.

But many countries want to have a say in cyberspace rule-making. They have proWhen it comes to rule-making in cyberspace, it is hard to strike a balance between development and security, between openness and supervision, and between freedom and security

posed different principles on global Internet governance, such as the International Code of Conduct for Information Security drafted by China, Russia, Tajikistan and Uzbekistan and the Convention on International Information Security put forward by Russia. India, Brazil and South Africa have suggested establishing a new international organization to supervise global cyberspace governance. It demands more diplomatic and political skills as well as uninterrupted communication among different countries to narrow these differences.

China's responsibilities

China, the country that has the largest number of Internet users, has benefited from the development of information technology. In 2010, the trade volume of China's electronic commerce reached 4.5 trillion yuan (\$703.13 billion).

China also is a victim of cyber attacks and cybercrimes. According to statistics from the National Computer Network Emergency Response Technical Team Coordination Center of China, over 6 million host computers' IP addresses in China were infected by malicious Trojan and Botnet programs during the first eight months this year. At least 29,000 Chinese websites were attacked by hackers, causing huge losses for Internet users as well as the financial services, transportation and energy sectors.

China actively participates in international ecoperation and has played a responsible role on multilateral, regional and bilateral platforms. It has engaged in judicial cooperation with more than 30 other countries. For example, earlier this year, Chinese authorities and the U.S. Federal Bureau of Investigation jointly cracked down on an illegal website based on their mutual desire to curb the spread of child pomography.

Striking cybercrimes and building a safe and trusted eyberspace are in accordance with China's national interests. The Chinese Government has amended and issued several laws and regulations in recent years on the conviction and punishment of hackers and cyber criminals. It has taken steps to crack down on cybercrimes and intellectual property right infringements. Chinese Internet service providers are also making efforts to improve cyber security.

China hopes to create a safe, reliable, just and peaceful cyberspace. It has proposed five principles for future international cyberspace rules—cyber sovereignty, international cooperation, balance between different needs, peaceful use of the Internet and fairness. It believes a UN-led international platform should be established to jointly find a solution to cope with cyber security challenges. The platform should have sovereign states as main participants, involve multiple stakeholders and underline the importance of cooperation between public and private sectors.



(LEFT)
CYBERSPACE CONFERENCE:
British Prime Minister David Cameron speaks at the London Conference on Cyberspace on November 1

CONFRONTING VIRTUAL THREATS: Engineers at the National Computer Virus Emergency Response Center of China analyze the country's cyber security conditions

Empowering African States

China helps bring lasting peace and stability to Africa

By SHENG HONGSHENG



frican think tanks expressed a high opinion of China's role in helping build African peace and security at the first meeting of the China-Africa Think Tanks Forum. The

meeting was held in October in Hangzhou and Jinhua in east China's Zhejiang Province as an unofficial dialogue between Chinese and African scholars.

Africa has a vast area, a big market and rich resources. Its strategic position cannot be overstated. But long-term colonization and domestic unrest have hindered progress in the economic development of most African countries.

In recent years, Africa has seen a decrease in regional wars and armed conflicts, along with improved security. But ethnic conflicts, racial barriers and border disputes still remain and cannot be solved in the short term. Since the beginning of this year, a number of North African countries, including Egypt, Tunisia and Libya, have experienced drastic political and social turmoil.

Peacekeeping

Peace and security are the prerequisites for economic and social development. It is hard to imagine how a region mired in war or unrest can carry on its economic and social development.

In addition to Africa's own efforts, external support is crucial to achieving lasting peace in the region. Given the significant position of Africa in the world political arena, many political forces have participated in its peace and security building. These forces include sovereign states, international organizations such as the UN, regional organizations such as the African Union (AU), UN specialized agencies such as the UN Food and Agriculture Organization, the International Committee of the Red Cross and international NGOs such as Oxfam

The author is director of the Institute of International Humanitarian Law at the Zhejiang Sci-Tech University

International and Save the Children. Among them, China has played a remarkable role.

In recent years, China has participated in peacekeeping, anti-piracy operations, the prevention of arms proliferation and postwar reconstruction in Africa to support the region's peace and security efforts.

To date, it has participated in 15 UN peacekeeping missions in Africa. Currently, more than 1,000 Chinese peacekeepers are working in eight UN peacekeeping missions across the continent. Moreover, a number of Chinese professionals are on civilian missions there.

Of the five permanent members of the UN Security Council, China has sent the largest number of peacekeepers to UN peacekeeping operations. Well-trained, disciplined and diligent, Chinese peacekeepers have won the approval of the international community, especially host countries.

By participating in peacekeeping operations in Africa, China's image as a peace-loving and responsible power has been further enhanced, and the traditional friendship between Chinese and African people has been consolidated.

China has supported the peacekeeping operations carried out by Africa's regional and sub-regional organizations in accordance with the UN Charter and their own basic documents. In August 2009, China offered 5 million yuan (\$788,500) in logistics assistance to Uganda and Burundi, two major troop contributors to the AU peacekeeping mission in Somalia. Also, China offered a \$400,000 check to the mission. China's financial and material assistance has promoted peace processes in Africa and improved Africa's own peacekeeping capacity.

Compared with other international organizations, regional organizations in Africa have an outstanding advantage in resolving regional conflicts and maintaining security, because African countries share similar historical, cultural and religious backgrounds. They have a deeper understanding about the causes of the conflicts, and thus have a better chance to come up with solutions. It is essential to bring the role of these organizations into full play.



Along with changes in the international situation, China has expanded its participation in UN peace and security building activities in Africa. For instance, it has sent naval fleets to join the multinational military operations against Somali pirates in keeping with UN Security Council resolutions.

China has been a victim of piracy for a long time. Main purposes of the Chinese escort fleets are to protect Chinese ships passing through the Gulf of Aden and waters off Somalia's coast, ensure the safety of the ships of the World Food Program and other international organizations that carry humanitarian supplies, and try to provide security cover for foreign ships as much as possible. To date, the Chinese Navy has sent 10 fleets to escort missions. While continuing to participate in operations against piracy, China will support the efforts of the international community in establishing special courts to try pirates.

Moreover, China has expressed a clear objection to interference in African countries' internal affairs through international criminal justice agencies. China supports African countries, politically and legally, to resist external interference based on international law.





ANTI-PIRACY DRILL: Soldiers of China's eighth naval escort fleet take part in an anti-piracy exercise in the South China Sea on their way to the Gulf of Aden

The fact that all the cases and situations on the International Criminal Court's current agenda involve African countries has raised doubts about the legitimacy of its jurisdiction. Also, the court's issuing of arrest warrants for incumbent African heads of state or government goes against the diplomatic privileges and immunities granted by international law. The practice will produce a lasting negative impact on peace and reconciliation in Africa.

China's position is that a criminal justice system with African features should be established to deal with problems in Africa. To be specific, China calls for the establishment of a regional criminal justice system in Africa, while encouraging African countries to rely on existing domestic judicial mechanisms to punish crimes and make the most of community judicial institutions such as Gacaca courts.

Peacebuilding

In addition to taking part in international peacekeeping operations in Africa, China supports African countries' efforts to accelerate post-conflict reconciliation. China has helped war-torn African

countries restore order, organize elections, reestablish judicial institutions, rebuild military and police forces and reconstruct infrastructure. It also sent Chinese experts to guide African countries' agricultural production and medical teams to provide medical services to Africans.

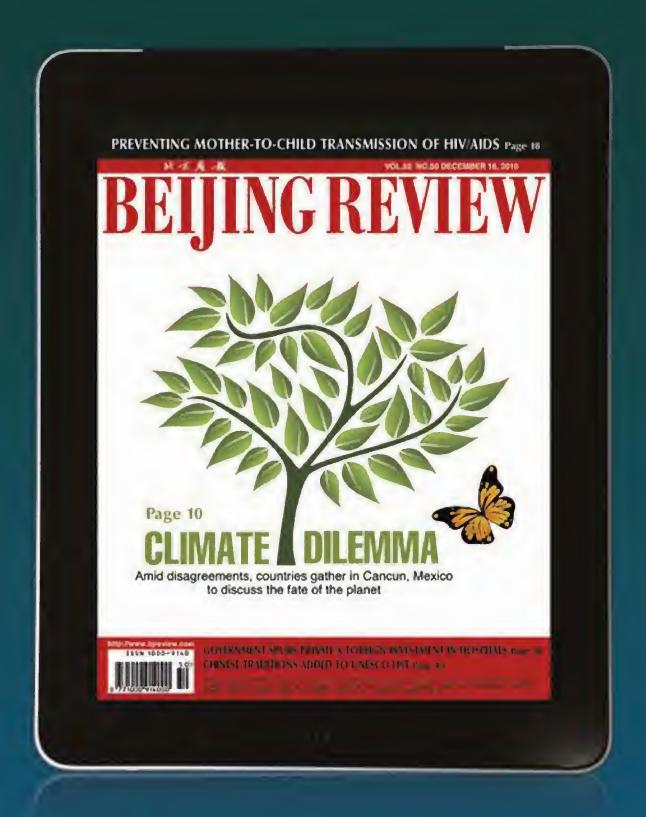
Behind each war there are complex economic, political, ethnic, religious and cultural roots. Among these factors, the economic factor serves as the major cause of war.

China's financial and material assistance has promoted peace processes in Africa and improved Africa's own peacekeeping capacity

For a long time, African countries have suffered severe economic imbalances, both domestically and among different countries. The minerals of some countries, including diamonds, gold, copper, cobalt, nickel and molybdenum, have long been controlled by warlords. They often use resource revenues to fund civil wars. Some of them even collude with neighboring countries against their own countries for personal and group interests.

If economic problems are not solved and the lives of ordinary citizens are not improved, external help cannot lead African countries to peace and security. Peace treaties may temporarily solve conflicts, but without economic development, they will reoccur after a period of time.

Thus, to realize lasting peace in Africa, it is essential to help African countries develop economically. In this regard, China has made great efforts. After the civil war in Angola ended in 2002, China took an active part in the country's reconstruction. For instance, the Export-Import Bank of China extended large loans to Angola. A number of Chinese enterprises, including the China Civil Engineering Construction Corp., the China Railway Construction Group, and the CITIC Group, a top Chinese financial conglomerate, joined the reconstruction process. China has also carried out similar economic assistance projects in other African countries, such as the Democratic Republic of Congo.



Beijing Review

China's National English News Weekly

Beijing Review is China's only national news magazine in English. Launched in March 1958, Beijing Review reports and comments on the country's social, political, economic and cultural affairs, policy changes and latest developments. It also offers indepth analysis on major regional and international events, and provides consulting and information services.

Zinio Digital Price: \$1,20 Save 29% off the Cover Price: \$1.70 52 Issues for \$32.00 Save 64% off the Cover Price: \$88.40

Website: zinio.bjreview.com





Advertise through VIP Airport Channels 传递尊贵



零距离接触 中国V·VIP顶级人群



GRASSROOTS **ELECTIONS IN FULL SWING**

Millions of voters have or are about to cast ballots to elect local lawmakers



READY TO VOTE: Sun Donghua (left) and Li Longquan, with ballots in hand, are about to enter a polling station in East Guang'an Constituency in Beijing's **Xicheng District on November 8**

By TANG YUANKAI

in Zihan, a high school senior in Beijing celebrated his 18th birthday on November 8 in a special way. His birthday coincided with elections to lawmaking people's congresses in Beijing's districts, counties and townships and Liu cast the first ballot of his life at a polling station in the Financial Street No.5 Constituency in Xicheng District.

"I didn't expect to be able to exercise my right to vote on the first day I became eligible," Liu said.

China's Constitution and Electoral Law stipulate that any Chinese citizen over 18 years old has the right to vote and be elected, regardless of ethnic origin, race, gender, occupation, family background, religion, education, wealth and length of residence, except for those deprived of political rights

according to law.

Elections of people's congresses at different levels are held once every five years. Official statistics show that on November 8, nearly 9 million voters in Beijing went to polls.

According to the Constitution, deputies to the people's congresses of counties (including cities without districts and districts directly under cities) and townships are elected directly by the people, while deputies to the National People's Congress (NPC), China's top legislature, and provincial-level people's congresses are elected by people's congresses at a lower level.

The ongoing elections of county- and township-level people's congresses are expected to be completed by the end of next year and so far, elections have been held in China's 26 provinces, autonomous regions and municipalities.

"More than 900 million voters at the

county level and more than 600 million voters at the township level will elect more than 2 million lawmakers of more than 2,000 counties and 30,000 plus townships," said He Yihui, Vice Secretary General of the NPC Standing Committee.

Voter registration

In March 2010, the amended Electoral Law of China went into force.

The new Electoral Law differs from the previous legislation as it grants equal representation in legislative bodies to rural and urban residents. Previously, each rural people's congress deputy represented four times as many people as an urban deputy.

"The situations in those provinces, autonomous regions and municipalities where the elections are about to conclude indicate that the Electoral Law has been implemented well, and people's rights to information, par-



PRE-ELECTION WORK: Chen Guixiang, head of a voter group, issues voting certificates in the East Guang'an Constituency in Beijing's **Xicheng District** on October 28

ticipation, expression and supervision have been respected and their voting rights have been guaranteed," He said.

According to the law, voters must register with their constituencies, and election committees will verify their eligibility and issue them voting certificates. A citizen can choose to vote in the constituency where he or she resides or works.

"To make sure that voters are registered correctly, without being left out or double counted, election committees not only wait for voters to register with them, but also visit communities and work places to register voters. They set up registration stations and use diversified channels such as TV, radio and the Internet to encourage voters to register," said a spokesman of the Legal Affairs Commission of the NPC Standing Committee.

Volunteers have been trained and dis-

patched to register voters.

"Initially I worried that people would not open their doors for me, but things turned out better than I expected," said Xu Na, a college student volunteering at Gaobeidian Township in Beijing's Chaoyang District.

Xu went from door to door to register voters. "A dozen or so young people who were hesitant about registering at first called me back soon after my visit to register," Xu said.

One of the principal difficulties of the election process is registering migrant workers. Beijing has a floating population of more than 10 million and China as a whole has more than 260 million migrants. Efforts have been made to guarantee their rights to vote and be elected.

Migrants living away from their hometowns can vote in their current place of residence after obtaining authorization from localities of their registered permanent residency. Election committees can help migrant voters contact their hometown constituencies to verify their eligibility. Migrants who voted from their current residences in previous elections can continue to do so without having to verify their eligibility once again.

Candidate nomination

According to the Electoral Law, preliminary candidates to people's congress deputies can be nominated, separately or jointly, by political parties and social groups (people's organizations) such as labor unions, women's federations and the Communist Youth League. Any group of 10 or more voters can also nominate a candidate.

There is no limit to the number of preliminary candidates. After preliminary candidates are nominated, voters in the relevant constituencies select final candidates.

For example, the Suzhou Community >>







Constituency in Beijing's Dongcheng District has 3,263 voters. Seven preliminary candidates were nominated, but only three of them would be put on the shortlist according to election rules.

The selection of the final candidates was based on group discussions organized by the election committee. After the discussions, two preliminary candidates withdrew because they represented the same organizations as other preliminary candidates.

Then in late October, residents' representatives held a meeting to select three final candidates from the remaining five preliminary candidates.

The preliminary candidates did not attend the meeting, rather each candidate was represented by a colleague who served as a presenter. The presenters briefed the residents' representatives on the preliminary candidates' achievements and their reasons for running in the election.

After the presentations, the residents' representatives voted through a show of hands. The winners were announced after a hand count

According to the Beijing County- and Township-Level People's Congress Election Office, 6,615 candidates were nominated from 2,257 constituencies. Among them, 10.9 percent were nominated by political parties or social groups, while the remaining 89.1 percent of candidates were nominated as they were endorsed by more than 10 voters.

Across the city, 37 percent of the candidates were women, and 6.6 percent were from ethnic minorities.

Direct interactions

On the afternoon of November 2, less than a week before the polling day, the community service center of the North Bajiao Community in west Beijing's Shijingshan District was packed. Candidates for deputies to the Shijingshan District People's Congress from the Bajiao No.3 Constituency were having a face-to-face meeting with voters.

Present at the meeting were local voters. Chinese and foreign reporters and several residents of other districts in the city attended as observers.

A retired teacher who declined to give his name said that in the past, voters and candidates did not have chance to meet each other. "Voters, knowing only the candidates' name and basic personal information, cast ballots more or less at random," he said.

The Electoral Law in force since March 2010 states that if voters request to meet candidates, the election committee should organize such meetings so that candidates can introduce themselves and answer voters' questions.

At 9:30 a.m., the four candidates from the Bajiao No.3 Constituency made a group appearance. After introducing themselves and their plans in succession, they answered voters' questions.

One candidate, Wang Yujuan, works at the North Bajiao Community's administrative office and has served for five consecutive terms at the Shijingshan District People's Congress. After retiring from the post of the deputy head of the Bureau of Culture of Shijingshan District, she has devoted 10 years to community work.

"Our community is quite dirty. If you win, what are you going to do about this?" an old man who volunteered to patrol the community asked Wang.

Wang said, "I know the community is old and not managed by any property management company, so it is up to the community's administrative office and all the residents to improve the sanitary conditions. If I was elected, I would change the community's environment within five years."

Wang's plan includes training cleaners, improving the community's infrastructure and mobilizing residents to clean up the community on weekends.

In Wang's previous terms as a deputy to the district people's congress, she called attention to the poor road conditions and bad sanitary conditions near the Shijingshan Experiment Primary School. The road was later repaired and the school's vicinity was cleaned up. Local residents commended Wang's work.

After answering questions, Wang made public her contact details and asked voters to call and e-mail her with their queries and concerns.

"The face-to-face meetings are good as they help us gain a better understanding of candidates," said Zhao Jing, a 76-year-old resident.

On the same day, another face-to-face meeting was held in a constituency in Haidian District, which is home to 10 of Beijing's most prestigious universities. Three final candidates in this constituency were in their early 20s, including Gao Jian, a doctoral candidate at the School of Traffic and Transportation of Beijing Jiaotong University.

At the meeting, Gao was asked if he was prepared to speak on sensitive social issues? Gao said, "Sure. Either as a student or a people's congress deputy, one must dare to speak up for justice."

Such face-to-face meetings were not only held in Beijing. In Guangzhou, capital of southern Guangdong Province, a total of





(From left to right)
FACE TO FACE: Wang Yujuan
answers questions from voters
in the Bajiao No.3 Constituency
on November 2

JUDGES: Voters in the Bajiao No.3 Constituency raise hands to ask candidates questions at a meeting on November 2

EXERCISING RIGHT: Voters in the Zhongnanhai Constituency walk into the Great Hall of the People to cast their ballots on November 8

FILLING OUT BALLOT: A voter in Yeping Village in Ruijin City, central China's Jiangxi Province, participates in local township election on June 24

8,945 candidates met voters.

In addition to face-to-face meetings, people can now get access to information regarding candidates using other means. The Financial Street Election Subcommittee of Beijing's Xicheng District produced video clips for 58 candidates in 19 constituencies and put them online.

The 19 constituencies have 130,000 voters, 90 percent of whom are busy office workers who may not have time to meet candidates face to face. With the video clips, voters can log onto the website of their constituencies and learn about candidates at any convenient time.

This novel way of communication was welcomed by Guo Hao, Assistant General Manager of the China Telecommunications Corp. This is the second time that Guo has run for a seat in the Xicheng District People's Congress. Ten years ago, Guo was nominated but did not win the election.

He said that back then, there was little communication between voters and candidates.

"Now video clips and the Internet have made it easier to get your message, which means more people now have a chance of being elected purely on their own merit," he said.

Voting on

The Electoral Law provides that names and other basic information of candidates for deputies of county- and township-level people's congresses, including their age, party affiliation, education and employment status, should be published seven days before the polling day.

On the first day of November, the four final candidates for deputies to Beijing's

Chaoyang District People's Congress from the North Hujialou Neighborhood Constituency were announced.

The shortlist included Yin Jinfeng, a name familiar to local residents. Yin has worked as director of the neighborhood committee since 2000. In 2005, she was elected a national model worker, the only neighborhood committee director in Beijing to receive this honor that year. The neighborhood committee she heads has been rated as one of Beijing's top neighborhood committees for 10 consecutive years. Since 2003, Yin has served two terms as a deputy to the Chaoyang District People's Congress.

Many local residents said they had voted for Yin after casting their ballots on November 8.

"She is the most trustworthy person in this neighborhood," said a senior citizen in his 80s. He said that Yin had given her phone number to elder people who live alone in the neighborhood and that she responded to their requests at any time.

"She also asked local schools to provide vocational training to more than 80 destitute people, and tried to find jobs for them," said another voter.

In the eyes of many voters, Yin is someone who listens to their opinions, speaks for them and makes a genuine effort to solve their problems.

Li Lan, a resident in the neighborhood, provided an example. The neighborhood has nearly 300 licensed dogs. Some dog owners often failed to clean up after their dogs. Yin came up with an innovative solution to this chronic problem earlier this year.

Dog owners and other residents are encouraged to pick up dog poop and bring the excrement to a local collection center where it is turned into fertilizer. Residents who comply receive awards every four months.

Many voters said that in Yin, they saw the kind of role a people's congress deputy can play. "A people's congress deputy can really play an important role in improving the local neighborhood," said Guo Yi, a senior resident.

Guo said that Yin helped make the more than 60-year-old neighborhood modern, clean and beautiful. An intercom system has been installed in all the local buildings to make them safer and hearings are held regularly on important issues in the neighborhood.

"More importantly, the neighborhood committee lcd by Yin helps vulnerable people, dissolves social conflicts and sets up a mechanism to address pressing public concerns," Guo said.

Onc of the other three people running for people's congress seats in the North Hujialou Neighborhood Constituency works at China Central Television, the national broadcaster whose new office building is close to the neighborhood. Many voters supported him in hopes that he would attract more publicity to their neighborhood and its problems.

On November 15, the Election Office of Beijing announced preliminary results of the polls held a week ago.

It said 9.1 million of 9.37 million registered voters cast their ballots, representing a turnout of 97 percent. They elected 4,349 deputies to people's congresses of 16 counties and districts and 9,931 deputies to people's congresses at township level. Fifty-four migrants got seats in county- and district-level people's congresses and four in township-level people's congresses.

An Equal Chance

Amendments to the Electoral Law guarantee equality

By TANG YUANKAI

Yuhong received his 16th voting certificate this year. After casting his ballot to elect deputies to the local people's congress at a polling booth in Changping District on November 8, Dou carefully stored the certificate with his most treasured possessions.

Having lived in Xiaozhai Village in Changping's Shahe Township for 54 years, Dou has collected all the voting certificates he has received. In 1953, he participated in the country's first election of people's congress deputies.

"The certificates are records of my exercise of the political right of a citizen," Dou said.

Same ballots, equal rights

On March 8, 2010, about 3,000 lawmakers attending the Third Session of the 11th National People's Congress (NPC), China's top legislature, listened to a report by Wang Zhaoguo, Vice Chairman of the NPC Standing Committee, on a draft amendment to the Electoral Law.

The amendment had been deliberated on two occasions before it was tabled to the NPC full session, at bimonthly sessions of the 11th NPC Standing Committee in October and December of 2009. It was finally ratified by the NPC on March 14, 2010, abolishing the difference in representation

between rural and urban lawmakers.

Before the amendment went into force, each rural people's congress deputy represented four times more people than an urban deputy. When the Electoral Law was first adopted in 1953, the difference was 8:1.

"The modification means rural residents have obtained equal rights in people's congress elections, which will promote the realization of the 'principle of equality' stipulated in the Constitution," said Han Dayuan, Dean of the Law School of Beijingbased Renmin University of China.

In many experts' eyes, the latest amendment to the Electoral Law also ensures equal representation among regions and ethnic groups, as it stipulates "every administrative area, regardless of the size of its population, should have the same base number of deputies," and "ethnic groups with the smallest population must also have one deputy."

During the review of the amendment of the Electoral Law, many legal experts called for realizing equal representation in people's congresses to rural and urban people. Some also suggested adjusting the difference from 4:1 to 2:1 as a transition.

Qiang Shigong, a professor at the Law School of Peking University, said, "The one-step realization of the equal representation is simply a positive legal result brought about by China's rapid urbanization following the reform and opening up."

Since 1978, when the reform and



A NEW START: Deng Xiaoping (first right), then Vice Premier, explains the Electoral Law at the 22nd Meeting of the Central People's Government in Beijing on February 11, 1953

opening-up policy was introduced, China's rural-urban population ratio has changed significantly.

By the end of 2008, China's urban residents had totaled 606 million, or 45.7 percent of its total population. It is expected that 50 percent of Chinese people would live in cities by 2015.

Meanwhile, many regions in China are reforming their household registration system, or *hukou*, trying to eliminate the difference between rural and non-rural *hukou* holders.

"These trends have laid a basis for holding people's congress elections using the same ratio of deputies to the represented population in urban and rural areas," Han said.

In 2007, Zichuan District in Zibo City, east China's Shandong Province, became the first region in the country to adopt an equal ratio of rural and urban representation in electing deputies to grassroots people's congress.



RAISING
QUESTIONS:
Voters in Shazhouba
Village in Ruijin,
central China's
Jiangxi Province,
meet people's
congress candidates
on June 20

"The main motivation was the changes that had occurred in local population composition," said Si Yanhui, former Vice Chairman of the Standing Committee of the Zichuan District People's Congress. Si admitted that the practice at the time encountered a big obstacle—the lack of a legal basis.

"We had to resort to the Constitution, which stipulates that all people are equal before law," said Xu Qian, a worker with the Standing Committee of the Zichuan District People's Congress.

In Zichuan, more deputies from rural areas strengthen the representation of farmers in the local lawmaking body.

When piloting the new election rule, it was stipulated in Zichuan that the number of deputies from among workers, farmers and intellectuals should surpass the numbers elected to previous people's congresses.

The amended Electoral Law also stipulates that among deputies to the people's congresses at all levels, there should be an appropriate number of grassroots deputies, especially from among workers, farmers and intellectuals.

"The aim of the stipulation is to expand the democratic base for the people's congress system, strengthen the supervisory role of people's congresses and broaden the channel for the public to participate in the state affairs. This is a new phase in the development of China's people's congress system," Han said.

Advancing with the times

On November 7, 1931, the First People's Congress of the Chinese Soviet Republic, which was established by the Communist Party of China, was held in Ruijin, central China's Jiangxi Province. This provided the basis for the development of the people's congress system of the People's Republic of China (PRC).

In February 1953, the PRC promulgated the Electoral Law. In December 1953, a general election was held. Registered voters accounted for 97 percent of Chinese people above the age of 18, of whom 86 percent, or 278 million, participated in the election.

"The law provided a legal basis and basic principles for China's grassroots elections, such as emphasizing the universality and equality of the right to vote," said Zhang Jincai, a researcher with the Institute of Contemporary China Studies under the Chinese Academy of Social Sciences.

The 1953 Electoral Law stipulates that deputies to people's congresses of cities without districts, districts directly under cities, townships and towns shall be elected directly by their constituencies. In 1979, the Electoral Law was amended, expanding direct elections to the county

level, stating that deputies to people's congresses of cities with districts, districts directly under cities, counties, autonomous counties, people's communes (townships) and towns shall be elected directly by their constituencies.

Xu Anbiao, Director of the State Law Office under the Legislative Affairs Commission of the NPC Standing Committee, said that given China's electoral system consists of both direct and indirect elections, direct elections, especially countylevel direct elections, are of vital importance.

According to the Electoral Law, direct elections at the county level not only establish country-level people's congresses but also provide the basis for establishing the upper-level people's congresses and even the NPC.

From 1978 to 2008, China held nine township-level direct elections, eight county-level direct elections and six indirect elections of deputies to people's congresses above the county level.

"The people's congress system is China's basic political system and democratic elections are the foundation of the system," said Zhang Chunsheng, an official with the Legislative Affairs Commission of the NPC Standing Committee.

Since 1979, the Electoral Law has been amended five times, in 1982, 1986, 1995, 2004 and 2010, respectively. "The amendments have further improved the people's congress system," Zhang said.

Li Chongan, Vice Chairman of the Central Committee of the China Democratic League, one of eight non-Communist Parties in China, said that the amendments didn't mean the previous versions were flawed. "Every version or amendment is decided by the national conditions prevailing at the time. In the past, national conditions did not allow the election of people's congress deputies based on equal representation of urban and rural population," Li said.

"In the 1950s, farmers accounted for 80 percent of the total Chinese population. If rural and urban areas adopted the same ratio of deputies to the represented population in the election of people's congress deputies, the NPC would have an excessive number of rural deputies," said Li Fei, Deputy Director of the Legislative Affairs Commission of the NPC Standing Committee.

"The election in 1953 was in accordance with the reality of the time. It guaranteed all social segments had their own representatives," he added.

"Today the system must guarantee adequate representation for farmers in legislative bodies. The amendment to the Electoral Law is a meaningful step in this regard," said Zhou Guangquan, a professor at the Law School of Tsinghua University.

Election of People's Congress

Election

The election of people's congress deputies shall be conducted by secret voting without exception.



Confirmation and Publicity of Candidates



Nomination of Candidates

Political parties and people's organizations may jointly or separately nominate.

A joint group of at least 10 voters or deputies may also nominate.



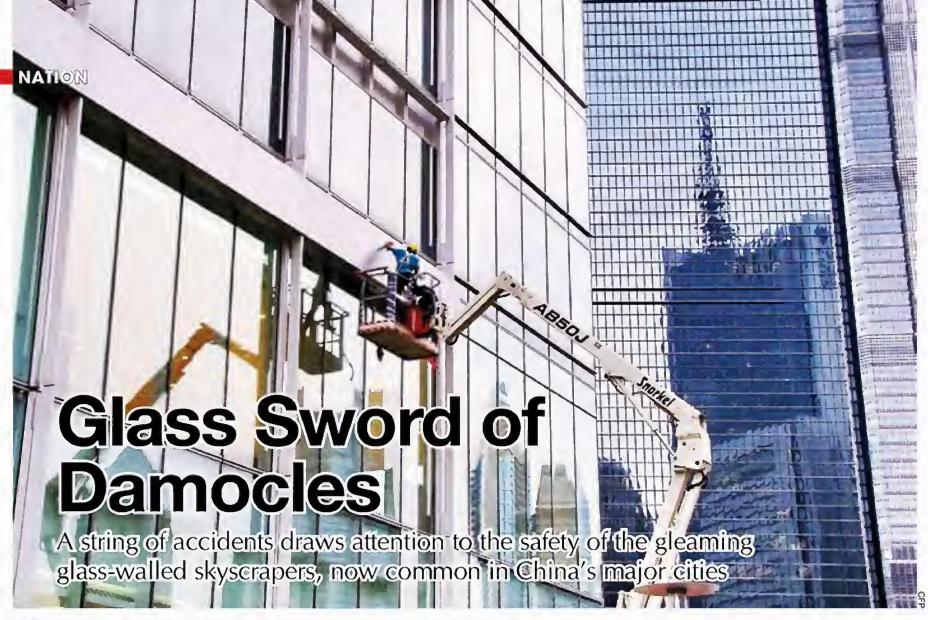


Registration of Voters

All Chinese citizens at or above the age of 18 shall have the right to vote.

Evolution of the Electoral Law

- 1953 The People's Republic of China promulgated its first Electoral Law.
- 1979 The Electoral Law was completely revised, stipulating that each rural deputy to the National People's Congress represents a population eight times that of an urban deputy, while the difference is 5:1 at provincial level and 4:1 at county level.
- 1982 An amendment was adopted, requiring political parties, people's organizations and voters that have nominated candidates for people's congress deputies to brief voters on those candidates at group meetings of voters.
- 1986 An amendment was adopted, allowing a joint group of at least 10 voters or people's congress deputies to recommend candidates and stipulating that the number of candidates for deputies to be directly elected by the voters shall be from one third to 100 percent greater than the number of deputies to be elected.
- 1995 An amendment was adopted, fixing the ratio of rural to urban population for electing a people's congress deputy to 4:1.
- 2004 An amendment was adopted, introducing preliminary elections in direct elections.
- 2010 The Electoral Law was revised again, granting an equal representation ratio for rural and urban residents.



OUT OF WINDOW: A worker cleans glass outside of a skyscraper in Shanghai

By YUAN YUAN

n July 8, as 19-year-old Zhu Yiyi was walking past a 23-story building in Hangzhou, east China's Zhejiang Province, shards of glass falling from a shattered window on the 21st floor of the building hit her left leg.

The glass severed the arteries in her left thigh and left a 20-cm laceration on the left lower limb. The injuries left Zhu with no choice but to have her leg amputated at the knee.

Zhu's is not the only accident caused by glass curtain walls in recent months. In May, 50 vehicles were damaged by broken glass falling from the 46th floor of a skyscraper in Lujiazui Financial District in Shanghai. Also in Shanghai, on August 9, 30 panes of glass rained down upon a residential area in the city's central business district, injuring a passer-by.

On August 20, in another city of Zhejiang Province, Yiwu, the 20-meter-high glass ceiling of a garment market came crashing down, injuring several children.

"Several kids were crying, and there were blood and glass everywhere. A boy of about 10 was lying there, with flesh cut from his lower legs. I could even see the bones," said a shopkeeper in the market.

Problems

High temperatures were blamed for the cracking of the glass in those cases. The glass used in the exterior walls of skyscrapers is

usually armored glass, which contains nickel sulfide particles and other impurities. The glass is subject to sharp temperature differences as building's air-conditioned interiors are much cooler than the outside air, especially on hot summer days. This difference in temperature can cause armored glass to burst, though experts say only poor quality and badly maintained glass is prone to bursting.

"The fundamental cause of the accidents is the government's failure to establish effective safety standards for glass curtain walls," said Lu Jinlong, Assistant Engineer in Chief of the Shanghai Research Institute of Building Sciences.

The glass curtain wall was introduced into architecture in 1926 in Germany, and swept over the Western world in the 1970s. The first building with glass-clad walls in China appeared in 1985 in Shanghai.

The style soon became popular for its modern, airy look and currently an upsurge in the construction of glass curtain walls is underway across China.

Statistics from the China Architectural and Industrial Glass Association show that China constructs 70 million square meters of glass curtain walls each year, 75 percent of the world's total. Buildings in China have more than 200 million square meters of glass curtain walls, 85 percent of the world's total.

"China's first technical code for glass curtain walls was not launched until 1996. But 20 percent of Shanghai's highrises with glass curtain walls were built earlier than that. The design and the quality inspection of glass curtain walls on these buildings were mostly substandard. Many glass curtain walls have a high risk of cracking and falling and they are practically ticking time bombs. Those constructed more than 15 years ago pose the highest risk," Lu said.

Shanghai has about 3,000 buildings with glass curtain walls, the most in China. About 900 of them are more than 15 years old, according to Lu.

"The safety of glass curtain walls is directly related to the engineering design of the building, the material quality of the glass and the skill used in its installation and maintenance. Any negligence in the details might lead to an accident," said Rao Rong, a professor at Tsinghua University's School of Architecture. "The glass curtain wall was technically mature when it was introduced to China in the 1980s, but many human errors such as lack of maintenance are to blame for accidents causing injury or damage," he said.

Xiang Hua, a sales manager at the Shanghai Kesheng Curtain Wall Engineering Co., said that many buildings used low-quality glass to reduce cost, which also increased the danger.

"Based on the current technical code for glass curtain wall engineering, which was put into force in 2003, safety glass and dualpane insulating glass are compulsory in tall buildings. However, the cost of safety glass is much lower than double-insulating glass. A square meter of safety glass costs 80 to 100 yuan (\$12.50 to \$15.70), but the same size of double-insulating glass at least doubles the price," Xiang said.

According to Xiang, for the sake of safety, glass curtain walls need to be checked every five years, and those over 15 years need a thorough safety check.

"But repair and maintenance are not cheap," said Yu Hui, a professor at the School of Architecture and Fine Arts of Dalian University of Technology. "For some glass panes high up in the sky, checking each square meter costs more than \$100."

Zhou Hongjun, a professor at East China University of Political Science and Law, believes the construction of many buildings with glass curtain walls takes only the attractive exterior into account. "It overlooks the fact that cities in China have dense populations," he said.

According to Zhou, glass curtain walls are more than just a safety hazard, they cause light pollution and lead to excessive energy consumption because of the easy passage of heat.

The energy consumption of buildings with glass curtain walls is reportedly four times greater than that of ordinary buildings. People inside glass curtain walls often feel cold in winter and hot in summer, leading to increased use of air conditioners.

Glass curtain walls also act as huge mirrors that reflect sunshine and light. Medical researches suggest that excessive light exposure or the improper spectral composition of light may cause headaches, eye problems,



STRUCTURAL GLASS: The newly built Jinta Tower, the tallest building in Tianjin, features huge glass-clad walls



HIGH UP: Tall buildings with glass curtain walls are common in the Lujiazui Financial District of Shanghai

work fatigue, stress, decreased sexual function and increased anxiety. In addition, glass walls can reflect traffic signals and produce illusions that can eause traffic accidents.

"Energy conservation and emissions reduction have become a widespread concern. It's time to limit the large-scale installation of glass curtain walls in new public buildings in China," said Liu Junyao, Deputy Director of the Shenzhen Institute of Building Research.

Ways out

"Glass curtain walls, as external structures, have an average design life of 25 years. The service life of supporting parts, such as bolts and adhesives, is generally 10 to 15 years. They can become loose, rusty and unreliable," said Zhao Xi'an, a researcher with the China Academy of Building Research. "Some glass curtain walls overseas still work well after 50 or 60 years, thanks to timely checkups and maintenance. But there is no maintenance industry for glass curtain walls in China."

Following repeated accidents with casualties caused by glass curtain walls, some Chinese cities have worked out their own regulations on the issue.

The Construction and Administration Bureau of Xiamen in southeastern Fujian Province issued a notice on September 15, requiring all skyscraper owners to check glass curtain walls and submit a report before December 15 of this year.

According to a survey, there are over 2,000 glass curtain walls in Xiamen, of which more than 200 are more than 10 years old. The glass curtain walls of the city's first skyscrapers have been installed for more than

20 years. But the warranty period of the glue used to bond the glass curtain walls and metal structures is only 10 years.

On October 22, Shanghai issued a new draft regulation on glass curtain wall construction and management aimed at allaying safety concerns.

The draft regulation says glass curtain walls will be banned in newly-built apartments, hospitals, schools, kindergartens and rest homes. Restrictions will also be placed on the construction of such walls in scenic sites and places of historic and cultural significance. It also mandates safety inspections every four years.

Earlier, Shanghai authorities announced on July 29 that the city was going to conduct a thorough safety inspection of all the buildings with glass curtain walls and the work would be completed by the end of March 2012. The authorities also set the penalties from 10,000 yuan (\$1,566) to 100,000 yuan (\$15,660) to deter owners from skipping inspections.

"It is a bit late to set rigid restrictions, but not too late," said Lu. "We must be firm in the implementation of the new regulations."

Experts also called for more preventive measures, such as establishing or increasing green areas and other buffer zones around tall buildings, and requiring ceilings or awnings to be made of dual-pane glass or other stronger materials to protect pedestrians.

"In a bid to prevent similar 'glass rain' accidents, the government also needs to speed up the lawmaking process to regulate companies that work on glass curtain walls," Lu said. "An insurance system is highly recommended to help solve some of the current problems."

Kempinski Hotel Beijng

Enjoy Kranzler's Thanksgiving Dinner on November 24, 2011



Be our guest for an all-American celebration of roast turkey with all the trimmings! Finish on a sweet high with a gourmet dessert buffet featuring pumpkin pie, pecan nut pie and

freshly-made waffles with ice-cream and maple syrup. Buffet includes coffee & tea.

Price: 398 yuan or 498 yuan including lobster All prices are paid in yuan and subject to 15 percent surcharge

Opening hours: 6:00 am to 12:00 pm at midnight For inquiries and reservations please call 010 6465 3388 ext. 4222 or e-mail us at restaurant.beijing@ kempinski.com

Kempi Deli's Turkey—Takeaway between November 23 and 24, 2011



Kempi Deli prepares everything you need for the perfect thanksgiving party of your own. Order one of our deluxe. ready-roasted birds to host your very own Thanksgiving feast, or

a plump roast goose, honey-glazed ham or roast leg of lamb. Hurry up and book now!

Whole roasted U.S. Tom turkeys at 168 yuan/kg. Opening hours: 7:00 cm to 10:00 pm

For inquiries and reservations please call 010 6465 3388 ext. 4227 or e-mail us at restaurant.beijing@ kempinski.com

Kempi Deli's Thanksgiving Parties from November 18 to November 27, 2011



To round off your Thanksgiving party with exclusive sweets, the Kempi Deli prepares mouth-watering desserts that make any Thanksgiving a memo rable experience.

Jack Daniel's white coffee mousse tart 188 yuan Whole Pecan nut Chocolate pie 188 yuan Whole Pumpkin sesame pie 188 yuan Crème caramel in mini pumpkin 88 yuan/piece Pumpkin pecan nut strudel 48 yuan/slice Opening hours: 7:00 am to 10:00 pm For inquiries and reservations please call

010 6465 3388 ext. 4227 or e-mail us at restaurant. beijing@kempinski.com

Argyle Hotel

Ground-breaking Ceremony in Zhejiang



On September 28, 2011, construction began on the Argyle Feiyunhu Resort in Wencheng County. Wenzhou City, Zhejiang Province. The five-star hotel located near beautiful Feiyunhu Lake will be equipped with 250 guest rooms, 400 villas and a yacht club, serving as a major holiday resort of Wenzhou City in the near future

New Shanghai Headquarter

Argyle Hotel Group has enlarged its Shanghai Headquarters by 100 percent and moved to a new address: 17th Floor of Zhaofeng Universe Building, No. 1800 Zhonashan West Road, Xuhui District, Shanahai, With improved infrastructure, the new headquarters will wholeheartedly offer service for clients.

Improving Purchasing System

In line with the resolution of Argyle Hotel Group's Autumn Meeting, from autumn of 2011, the Shanghai Headquarters will be in charge of the group's supplier management system, product standards and purchasing procedures and standards. Establishing the group's purchasing system aims to improve the management of Argyle Hotel, enhance the integration of resources, and implement the objects of intelligent office, famous brand, and energy efficiency.

Argyle Boutique Hotel Nanjing



The technical support work of Argyle Boutique Hotel Nanjing has started recently. The hotel is located in the Laoshan Mountain scenic area of Nanjing, Jiangsu Province, featuring Han dynasty architecture characteristics to embody the high-quality cultural atmosphere for leisure and vacation.

Argyle's Project in Huzhou

On October 15, Argyle Huzhou Private Palace officially started business in Huzhou City, Zhejiang Province. The project is located 2.5 km from the center of Huzhou City, consisting of an office building, Argyle Yuewen Hotel and an apartment building. Argyle Yuewen Hotel is expected to open in 2013 as a landmark building of the city

Argyle's Training Program



From August to November Argyle Hotel Group started systematic and comprehensive training programs for member hotels in China. The training included four parts: good service ideas, job skills, internal training system for managers, knowledge of occupational health and fire fighting.

Argyle's Rank Goes Up

In September, 2011, Argyle Hotel Group Australia was ranked No.159 of the "World's Top 300 Hotel Groups' by the renowned United States professional magazine HOTELS. In 2010, Argyle's rank was 171. The progress shows the rapid growth and brand promotion of Argyle Hotel, and the fulfillment of Argyle's promise

Argyle Hotel Group's Fall Meeting

Argyle Hotel Group's Fall Meeting was held in Beijing between September 8 and 9, 2011. The senior managers from Shanghai and Beijing attended the meeting and made a summary of the performance and a plan for further work.

Skills Contest

Ausotel Dalate Hotel held a skill contest for all staff in autumn, 2011. The contest consisted of two parts: professional skill assessment and Q & A. The staff of the hotel further improved their skills and knowledge through the contest.



环渤海区国际会议、度假首选下榻之所

A great choice for vacations and holding international conferences

傲临秦皇岛金梦海湾,紧邻北戴河黄金海岸 Situated on golden sands, by Beidaihe River

春皇國際大酒店電













By WANG JUN

he new 12th Five-Year Plan (2011-15) for China's iron and steel industry, recently released on the website of the Ministry of Industry and Information Technology (MITT), says the iron and steel industry will face development opportunities, as well as severe challenges, particularly slowed growth in market demand and growing pressure to protect the environment.

MIT figures show that during the 11th Five-Year Plan period (2006-10), China's crude steel output increased from 350 million tons to 630 million tons, an annual average growth of 12.2 percent. The market share of domestic companies rose from 92 percent to 97 percent. In 2010 the output value of the iron and steel industry reached 7 trillion yuan (\$1.11 trillion), accounting for 10 percent of the country's total industrial output. The total assets of the industry stood at 6.2 trillion yuan (\$979.46 billion).

"The plan was issued after repeated deliberations. It will greatly improve confidence in the iron and steel industry as well as some other related industries and will play an effective role in encouraging overseas investment in steel companies and solving the predicament of iron ore," said Ma Zhongpu, Deputy General Manager and chief analyst of Chinaccm.com (China Commodity Marketplace).

A research report released by China International Capital Corp. Ltd. on November 8 says the plan shows the government's resolution and direction to restructuring the iron and steel industry. In the short term, the plan will stimulate market sentiment, and in the long term, if the plan can be implemented effectively, it will improve the industrial structure, enhance competitiveness of the iron and steel industry in the whole industrial chain.

Achievements and challenges

Luo Tiejun, former director of the Raw Material Industries Department of the MIIT, summed up the achievements of China's iron and steel industry during the 11th Five-Year Plan period, "During the five years, the iron and steel industry experienced rapid growth with the most remarkable improvements in energy conservation and emission reduction. The five years also saw an increasingly important role played by the market in resource allocation and the development of various steel companies, all effectively supporting the steady and rapid development of the national economy."

According to Luo, the plan gives four basic judgments on the iron and steel industry. First, the scale of the iron and steel industry is large enough to serve the transformation of the industry. Second, the industry still faces increasing restrictions of resources, energy and raw material price hikes. Third, the development environment is becoming more complicated, and mutual impact between China's iron and steel industry and the world economy grows. Fourth, the industry has entered a key stage in transforming its development pattern.

"The iron and steel industry will stay with low profits for a long time and it is time that the industry transforms its development pattern," Luo said.







1. MORE EFFICIENT PRODUCTION: A refinery upgraded with a high energy-consuming furnace at Dalian Jinniu No.1 Steel Smelting Factory of Dongbei Special Steel Group Co. Ltd.

2. KEEPING A CLOSE EYE: A worker monitors machineryat the Dalian workshop of Dongbei Special Steel Group Co. Ltd.

3. GUARANTEEING SUPPLIES: Fine ores are piled up at the freight yard of Fangchenggang Port, Guangxi Zhuang Autonomous Region

Luo also analyzed four major problems. First, the varieties and quality of steel products urgently need to be upgraded.

"At present product varieties and quality can meet demand featuring high consumption with low standards, or a crude demand," Luo said.

Second, readjustment of the industrial layout is proceeding slowly. According to Luo, southeast China still lacks production capacity. At present, the five provinces and municipalities around the Bohai Sca produce 400 million tons of steel products annually, with half consumed by themselves and the other half transported to the southeastern region. During the 12th Five-Year Plan period, efforts will be made to boost the steel production capacity in southeast China.

Third, the industry faces heavier restrictions on energy and raw materials in addition to mandates to protect the environment. Luo thought environmental issues are particularly challenging, and the iron and steel industry must solve the problem of reducing emissions of carbon dioxide. Since the iron and steel industry is a major energy consumer, it must first start by saving energy to reduce carbon emission. Luo said the industry should also regulate the iron ore market and explore measures to maintain the sound development of both upstream and downstream industries.

Fourth, the industry's capacity for independent innovation is still weak. "During the 12th Five-Year Plan period, what will the iron and steel industry depend on to transform its development pattern? The key point is technology innovation," Luo said.

The Chinese steel industry still has many deficiencies. Lacking experienced professionals with technical know-how, many steel companies find their development held back by limited technological innovation capacities. Further most, research and development facilities operate on barebones budgets, causing an absence of core technologies.

Targets set

The plan sets six targets for the iron and steel industry in the next five years, including upgrading its line of products and improving product quality. It requires broadening scale production of such products as silicon steel sheets and increasing the market share of domestic producers to 90 percent. Meanwhile, 80 percent of high-end products such as marine corrosion-resisting steel needed in the Chinese market should be produced by domestic companies.

As for energy saving and emission reduction, the plan sets stricter targets than the one for the whole country. According to Luo, China's 12th Five-Year Plan sets a goal to reduce energy consumption per 10,000 yuan (\$1,579.78) of GDP by 16 percent, while the plan for the iron and steel industry sets a stricter goal of 18 percent. In the meantime, the plan requires that the energy consumption for each ton of steel products should be lower than 580 kg of standard coal.

The plan proposes to improve the layout of the iron and steel industry. Zhao Liming, researcher at Hongyuan Securities Co. Ltd., said most of China's steel production capacity has been in the north, while south China has been facing serious shortages in supply due to fast economic growth. Hence the plan proposes that during the 12th Five-Year Plan period, the country will build two new iron and steel bases in Zhanjiang, Guangdong Province, and Fangchenggang, Guangxi Zhuang Autonomous Region, and promote the construction of an iron and steel production base in Ningde, Fujian Province, to thoroughly reverse the short supply of steel products in southeast China's coastal areas.

The plan prioritizes enhancing China's capability of guaranteeing resource supplies for the iron and steel industry. A guarantee mechanism for iron ore and coal fuels will be established, and 100 million tons of overseas production capacity of iron ore will be added. The plan also requires regulating the domestic iron ore market and enhancing exploration of domestic iron ore resources.

The plan also proposes to establish a sound mechanism for technology innovation. Steel companies should invest no less than 1.5 percent of their sales revenues in research and development. Progress should be made in independent innovative techniques such as low-carbon smelting and comprehensive resource utilization, and technologies for highly efficient production as well as energy saving and emission reduction should be widely used.

Industrial concentration will be increased, said the plan. By 2015, the top 10 steel companies will produce 60 percent of the country's total steel output, compared with the proportion of 48.6 percent at the end of 2010 and 34.7 percent at the end of 2005.

Goodbye Incandescents

China looks to energy-efficient bulbs as it gears up to heighten energy efficiency

By LAN XINZHEN

fter 130 years of using incandescent lamps, China is determined to abandon the energy-guzzling bulbs in favor of more energy-efficient ones.

On November 1, the Development and Reform Commission (NDRC) and five other government departments jointly released a joint circular, vowing to gradually halt imports and sales of the traditional incandescent lamps.

Those lamps are widely used for both household and commercial lighting. Electricity is used to heat up the thin wire filament inside the bulb until it glows and produces light. Unfortunately, while incandescent bulbs are effective at illuminating even the darkest of spaces, they are not energy efficient. Much of the electricity is used to make heat, and light is only a byproduct.

In 1882, China's first incandescent lamp was used in Shanghai, providing a more reliable alternative to oil lamps and candles. In the past 130 years, China has become the world's largest producer and consumer of incandescent bulbs. In 2010, the country's output of such bulbs stood at 3.85 billion, with sales hitting 1.07 billion yuan (\$168.47 million).

As China embarks on a greener path of development, it is aiming to phase out these less efficient bulbs.

"This move is part of the government's vigorous efforts to push forward energy conservation and emission reduction," said Xie Ji, Deputy Director of Resource Conservation and Environment Protection under the NDRC.

The effort to replace incandescent lamps with energy-efficient ones nationwide will help save 48 billion kwh of electricity and reduce 48 million tons of carbon dioxide emission annually, said Xie.

"This year marks the beginning of the 12th Five-year Plan (2011-15), which is focused on economic rebalancing. Meanwhile, the United Nations Climate Change Conference is about to convene in Durban, South Africa," said Xie. "Against this background, China is

taking swift action to propel green lighting and implementing effective measures in response to climate change."

Xie said some manufacturers of incandescent lamps in the country have been transforming their businesses and reducing production. NDRC data showed that in 2010 there were 10 enterprises nationwide with annual output of more than 100 million incandescent lamps, accounting for at least 70 percent of the industry's total output of such lamps.

China has been firmly committed to improving energy efficiency. In 1996, the Chinese Government launched a green lighting program, promoting wider use of energy-efficient lamps with heavy subsidies. Moreover, the country has joined hands with the United Nations Development Program and Global Environmental Facility to initiate a project aimed at lifting the quality and competitiveness of China's energy-efficient lighting products.

The circular said those projects have significantly helped China's lighting industry move up the value chain and improve product quality. In 1996, China's output of energy-efficient lamps was barely 3 percent of that of incandescent bulbs, but the ratio jumped to 1:1 in 2010. Last year, the country's output of energy-efficient lamps amounted to 4.26 billion, accounting for 80 percent of the world's total. There were around 20 manufacturers with annual output surpassing 50 million, making up 82.2 percent of the industry's overall output.

"Meanwhile, techniques of Chinese manufacturers have advanced to the worldleading level," added Xie. "In addition, semiconductor lighting technologies are also maturing quickly."

Hua Shuming, Director of the National Lighting Test Center, said the service life of a qualified energy-efficient lamp is more than 6,000 hours, six times that of an incandescent bulb. A 13-watt energy-efficient lamp can produce illumination comparable to that of a 60-watt incandescent lamp, and it is able to reduce electricity consumption by 60-80 percent.





Energy-efficient lighting products are being recognized by global consumers. Data from the NDRC showed that Chinese energy-efficient lamps controlled 85 percent of global markets, up from only 20 percent in 1996.

LED in full swing

China is sparing no effort to propel wider use of energy-efficient lamps, especially light-emitting diode (LED) lighting products. LEDs present many advantages over





GREEN LIGHTS:
Primary school students in Hangzhou,
Zhejiang Province, compare the electricity
consumption of energy-efficient
bulbs and incandescent ones

incandescent lights including lower energy consumption, longer lifetimes, smaller size and faster switching.

"But LEDs are less competitive due to higher prices, so it will still take some time

BENEFITTING LEDS:

Employees of Tianjin Promlite Technology Co. Ltd., a manufacturer of LED lamps, run tests on products. The phase-out plan of incandescent lamps is expected to deliver a boost to the LED industry

before they are fully accepted by consumers," said Xie.

He added that the NDRC and the Ministry of Finance (MOF) are mulling subsidies to accelerate the promotion of LEDs.

China's LED industry is already taking shape. In October 2009, the NDRC announced a series of measures to support the emerging sector, including government purchases and favorable import tariffs. Many local governments also followed suit, handing out generous policy incentives. The past two years have witnessed the start of nearly 100 large LED projects across the nation, with total investments exceeding 30 billion yuan (\$4.72 billion).

Xic expected the output value of China's LED industry to double in the next five years. The sector is an important part of the energy conservation and environment protection industry, one of the seven major strategic emerging industries supported by the government.

Looming concerns

A recent research report from the Guoyuan Securities Co. Ltd. said China's LED industry is getting into full swing, and LEDs are widely used in cell phones and liquid crystal television. But they are yet to be widely accepted as a general lighting source, it said.

"The biggest problem is high costs—its manufacturing cost is 50-60 times that of incandescent lamps," said the report.

"Without government subsidies, it would be difficult to promote LEDs as general lighting, but climination of incandescent lamps has provided a powerful catalyst for the promotion of LEDs," it added.

In 2008, the NDRC and MOF launched a lighting program and distributed more than 400 million energy-efficient lamps to consumers. But the program encountered many problems, hindering further promotion of those lamps.

Energy-efficient lamps contain mercury, a neurotoxin that can pose a serious threat to environmental health. The amount is tiny—China, as well as the European Union, allows each fluorescent lamp to contain no more than 5 milligrams of mercury—but that is enough to cause acute environmental damage and has sparked worries over the disposal of those lamps.

Fluorescent lamps use electricity to stimulate mercury vapor. The mercury atoms produce short-wave ultraviolet light that then causes a phosphor to fluoresce, producing visible light.

Some people suggested manufacturers recycle the lamps, but that was less feasible given the high costs.

"Indeed, it is difficult to establish a nationwide recycling system in such a big country," said Xie. "What we are doing is further improving technologies to decrease the mercury content of such lamps."

Moreover, the high prices of energy-efficient lamps are also impeding the consumer acceptance.

In China, an LED lamp costs nearly 100 yuan (\$15.75), compared with less than 10 yuan (\$1.57) for an incandescent bulb. That is also why most Chinese LED manufacturers have focused on exports, instead of the home market.

Chinese LED firms still have a long way to go to sharpen their competitive edge. Chinese companies are good at assembly production, but one cause for concern is a lack of core chip technologies. U.S. and Japanese companies have dominated chip technologies, leaving Chinese firms in a weak position to compete.

Worse still, domestically made LED lamps suffer from the problem of a short battery life. As a result, it would be critical for domestic enterprises to strengthen efficiency and extend the service life of batteries so as to make their LED products more market competitive.

Phasing-Out Timetable

Nov. 2011-Sep. 2012 Transition period

Oct. 2012-Sep. 2014 Lamps above 100 watts to be banned

Oct. 2014-Sep. 2015 Lamps above 60 watts to be banned

Oct. 2015-Sep. 2016 Mid-term evaluation period

Oct. 2016- Lamps above 15 watts to be banned

(Source: Joint circular of NDRC and five other departments)

A Province in Motion

Northeast Hebei's Bohai Sea economic zone is set to drive growth and provide another link between China and the rest of the world

By BRANDON TAYLOR

rom technical experts and foreign investors to tourists, Hebei Province is trying to draw in a diverse crowd to fuel its development, encourage growth and establish itself as a major hub for trade and new technologies across Asia and eventually the world. The province is set to switch economic gears from one based on resource-intensive industries to a more hitech and eco-friendly model.

The plan is to turn the northeast portion of Hebei Province on the Bohai Sea into a base for modern industry, hi-tech innovation and culture. The coastal development plan recently got the go-ahead from the State Council.

As part of the provincial government's efforts, Hebei will concentrate on expanding iron and steel production, heavy equipment manufacturing, modern logistics, electronic information and tourism in the region, known as the Bohai Rim Economic Circle.

Northeast Hebei has also started absorbing heavy industries from Beijing and Tianjin to alleviate environmental pressures affecting the two municipalities. The moves will allow the businesses and their outdated industrial practices to embrace more green approaches to production and distribution.

Preferential policies have also been put in place in Tangshan and Qinhuangdao to entice heavy industries and hi-tech firms to open new installations along coastal Hebei.

The old industry and the sea

Two hours east of Beijing, the blast furnaces of Tangshan smelt at close to full capacity. The gritty industrial town, widely considered the cradle of China's modern industry, produced about 70 million tons of steel in 2010, approximately one tenth of China's total output, according to the Steel Guru, a website that monitors international iron and steel markets.

Tangshan steel is used in everything from heavy machinery and infrastructure projects to apartments and office buildings.

For most of its history as an industrial boom town, Tangshan has followed a resource-based industrial model, relying almost entirely on its 4.9 billion tons of coal reserves to fuel the steel mills and drive the local economy. The result has been heavy pollution and a deteriorating environment, according to

a recent publication from the press office of the Tangshan Municipal Government.

With Tangshan's heavy industries anxious to go global and as a means of embracing sustainable development, the industrial center is looking to the Bohai Sea where a new city is taking shape.

Advertised as an eco-city utilizing the very latest green technology, Caofeidian, just in south of Tangshan, will be the spearhead for Tangshan's and northeast Hebei's, green development trend.

Building an emerald city

After moving out of Beijing for environmental reasons, Shougang Jingtang United Iron and Steel set up shop in Caofeidian. Operations at the new site officially opened in 2009. Today, Shougang produces 9.7 million tons of steel a year, 1.5 million more than it did under the jurisdiction of the Chinese capital.

Shougang's move is quickly becoming the norm, with steel mills relocating to China's coastal areas as inland water supplies dwindle and pollution in urban centers becomes intolerable. The steel-making process also consumes large amounts of water, providing further justification to establish a presence by the sea, said Ma Xiao, Vice Director of Publicity Department for Shougang.

"Our new steel making processes reduce dust and leave the skies clearer," Ma said. "And one third of the technology we use has been developed internally by the corporation itself." Shougang's Caofeidian facility makes it easy for raw materials from Australia and Brazil to reach the steel plant and even easier for the company to ship its products out to other parts of China and Asia, Ma said.

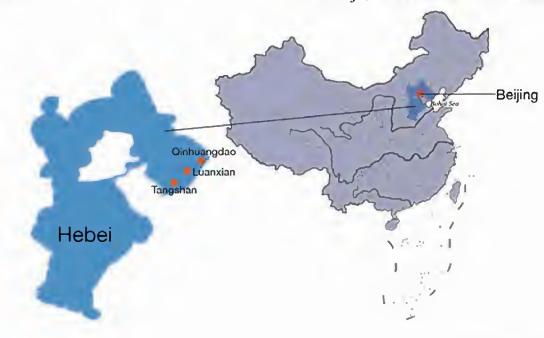
Construction of Caofeidian began in 2003 as an integral economic area in China's 11th Five-Year Plan (2006-10). The area will develop from a modern harbor into a district and then eventually a city. It will also serve as a demonstration base for China's recycling economy, said Wang Yujun from Tangshan Caofeidian Shiye Port Co. Ltd.

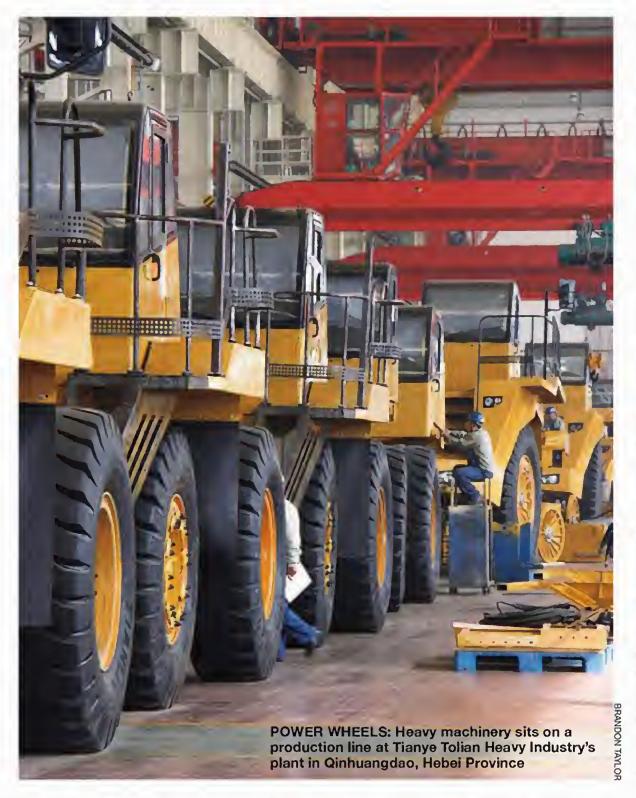
"Our steel mill recycles waste from one part of the steel making process and uses it in others," Ma said. "Almost 94 percent of our electricity is produced by the mill itself. We're also using desalinization techniques to use seawater in the steel-making process."

Today, there are 20 factories or manufacturing facilities operating in Caofeidian, with three more under construction. As of 2011, the industrial area created 80,000 jobs. By 2020, that figure is expected to reach 400,000, the population of a medium-sized city, Wang said.

As far as the city portion of the plan goes, Caofeidian is still a massive construction site, with half finished or vacant buildings lining the streets. Most staff commute from Tangshan or live in temporary housing near the docks, said Ma.

The city has solar powered light posts and energy efficient lighting. Buildings also use less energy and have low emissions, said Cai Junju, an official from the administra-





tive committee of the Tangshan Caofeidian Industry Zone.

Hi-tech and innovative

Li Lin, sales manager for Qinhuangdaobased Contec Medical Systems, walks confidently around an exhibition area for the company's inventory of medical gadgets. From touch-screen heart monitors and advanced ultrasound scanners to handheld ECG devices, Contec boasts a hi-tech arsenal of equipment for hospitals and clinics.

All Contec's products are domestically designed and manufactured.

While Contcc mainly serves Chinese hospitals, the company has established an international clientele list, with buyers in over 130 countries, Li said.

The company, founded in 1992, is one of many hi-tech enterprises enjoying

preferential policies and a surge in sales as Qinhuangdao focuses on attracting private companies from home and abroad to boost the area's profile as a center for hi-tech, said Fu Chunyuan, Vice President of Contec.

Aside from Contec, 103 hi-tech enterprises call Qinhuangdao's Economy and Technology Development Park home. Multinationals from the United States, Japan and Korea have production facilities or R&D centers in the park.

Tianye Tolian Heavy Industry is also enjoying a surge in sales, bringing in 1.1 billion yuan (\$174.6 million) in revenue in 2010. Its plant in Qinhuangdao ships heavy machinery to Asia, Africa and the Middle East.

Tolian, which specializes in a special line of construction vehicles and machinery, has been the dominant player in bridge building in China, especially as the country enjoys a massive infrastructure construction boom, said Zhu Xinsheng, President of Tolian.

Tolian's tunnel-boring technology is also in hot demand as 33 cities across China plan to build elaborate subway networks to link their burgeoning populations.

South of Qinhuangdao, in Beidaihe, an information technology park will employ 5,000 engineers, computer programmers and project managers when it opens in 2014. The info-tech park will create computer programs, cartoons and movies as part of China's effort to mass produce culture and broaden its soft power influence.

"We want to make it into the Silicon Valley of north China," said Li Ruixue, head of Beidaihe's Publicity Department. "Like Zhongguaneun in Beijing, we want to attract big clients and companies."

Creating culture

Like Tangshan, Luanxian, a county between Tangshan and Qinhuangdao, relies on resource-guzzling heavy industries as its main economic driving force. Now the county is trying to add a second pillar to support the local economy: cultural tourism (For details, please see page 40-41).

Luanxian faces a number of challenges-a lack of modern infrastructure and popular recognition among them—in making its ambitious plan to stimulate local tourism a reality. The most obvious obstacle is its location. Stuck between Beijing and Qinhuangdao, Luanxian can never hope to compete with the cultural and historic landmarks of the Chinese capital or the pristine beaches and relaxing atmosphere of the northern port city. For the time being, Luanxian will focus on attracting urbanites in need of a relaxing break from city life or tourists en route to other destinations to its ancient city and surrounding attractions, said Lu Hongqiu, Secretary of the CPC Committee of Luanxian County.

Luanxian's long-term goal, Lu said, is to turn Luanxian into a truly modern eity connected with the rest of the world.

"We want to make Luanxian a true international tourist city," Lu said. "We'll have to first invite foreign investors and form foreign partnerships before we can start drawing foreign tourists."

These incredible aspirations for global recognition and prosperity are what will drive the province, the Bohai Sea economic zone and ultimately China, into a new era of economic growth. From industrial Tangshan and the promising port of Caofeidian to hi-tech Qinhuangdao and Luanxian's fledgling tourist industry, northeast Hebei is transforming itself to meet the demands of modern China. While today it may only be a major center of industry and innovation in China, tomorrow it could be a similar base for the rest of the world.

TO THE POINT: In a bid to foster value for investors, the China Securities Regulatory Commission orders listed firms to improve investor's dividends. China's exporters face some serious headwinds as overseas markets turn bearish. The once-feverish auto market continues tapering off due to withdrawal of favorable policies. New yuan-denominated loans stage a comeback, a signal that policymakers are easing their monetary stance on a selective basis. Chinese airlines disappoint with tepid profit growth.

By HU YUE

MARKET WATCH

Dividend Regulation

The China Securities Regulatory Commission (CSRC), on November 9 issued a circular, requiring listed companies to distribute more cash dividends to shareholders in an effort to protect investors' interests.

The regulation would first apply to companies pursuing initial public offerings (IPOs), said Guo Shuqing, who recently took over as CSRC Chairman.

Detailed disclosure of dividend policies and schemes will be a requisite part of all IPO prospectuses in order to enhance transparency of share listing, according to the circular. Those schemes cannot be changed once they are established.

Moreover, the CSRC said it is conducting research and trying to improve the dividend tax policy in order to make the listed companies more willing to repay investors.

"Dividend is an important part of investor returns, and also a deciding factor for share prices," said the commission. "Stiff efforts will be made to tighten supervision over implementation of the new dividend policy."

In China, dividend issuance was mandated only for bonds, not stocks, and the payout decision for stocks is left largely to the discretion of company management.

Data of the CSRC showed China's public firms handed out a total of 500.6 billion yuan (\$78.83 billion) in cash dividend in 2010, up from 342.3 billion yuan (\$50.91 billion) in 2008. The amount, however, remains far

from what investors receive in developed countries.

"The new policy will help boost investor confidence and encourage long-term value investment," said Wang Jianhui, chief economist with the Chongqing-based Southwest Securities Co. Ltd. "But the problem is the CSRC did not clarify what will happen if companies disobeyed the rules."

Trade Concerns

China's foreign trade sector steers a rosy path of growth, though clouds are already gathering over its future prospects.

In the first 10 months of 2011, China's exports totaled \$1.55 trillion, growing 22 percent year on year, while imports climbed 26.9 percent to reach \$1.43 trillion, said the General Administration of Customs. The trade surplus stood at \$124 billion, shrinking 15.4 percent from a year ago.

In October alone, exports went up 15.9 percent to \$157.49 billion. The growth rate was the lowest in eight months. Imports amounted to \$140.46 billion, up 28.7 percent. The trade surplus dropped 36.5 percent from the previous year to \$17.03 billion.

The import buoyancy was attributable to the resilience of the Chinese economy, strong domestic demands and policy incentives to encourage imports, said Zhang Yansheng, Director of the Institute of Foreign Economics Research under the National Development and Reform Commission.

Lu Ting, an economist with the Bank of America Merrill Lynch, warned there was a growing risk of a break-up of the eurozone, which could trigger a sudden collapse in the global financial system.

"If that happens, China's export growth could slump," Lu said.

Liu Ligang, an economist with the Australia and New Zealand Banking Group, also held a gloomy review, saying China's exports could slide to single-digit growth in the coming two months.

"Moreover, a significant decline in exports would affect many industries and fan the unemployment problem," he said.

Auto Gloom

The auto market has yet to leave the industry downturn behind as subsidy with-drawal pours cold water on buyer interest.

Auto sales across the nation totaled 1.52 million units in October, representing a slight drop of 1.07 percent year on year, said the China Association of Automobile Manufacturers (CAAM). Output in October stood at 1.57 million units, increasing 1.72 percent.

The October figure brought the sales for the first 10 months to 15.16 million units, growing 3.15 percent from a year earlier. The output from January to October amounted to 150.34 million units, up 2.66 percent.

The CAAM expected the market weakness to continue through the rest of the year

379.7 billion kwh

China's electricity consumption totaled 379.7 billion kilowatt hours in October, growing 11.35 percent from a year ago, said the National Energy Administration.

\$11.3 billion

China increased its holdings of U.S. Treasury securities by \$11.3 billion in September, bringing its total portfolio to \$1.1483 trillion, said the U.S. Treasury Department.



POWERFUL COMBINATION: A power farm in Yumen, northwest China's Gansu Province combines both wind and solar power generation. Its 9-megawatt photovoltaic facility is expected to generate electricity in early December

as the government rolled back some policy incentives, dealing a blow to market demands.

The Ministry of Finance adjusted its two-year-old subsidy policy for fuel-saving vehicles, making more than 70 percent of the original 427 models ineligible for subsidies, effective October 1.

"An increasing number of global auto makers are now making low-end, smallengine cars in China, and that means intensifying competition for Chinese manufacturers," said Dong Yang, Secretary General of the CAAM.

"The sales decline will even accelerate in November as tightening monetary policies may also restrain vehicle purchases among smaller business owners," said Rao Da, Secretary General of the China Passenger Car Association.

CAAM expects vehicle sales in 2011 to grow 5 percent, down from its original forecast of 10-15 percent.

Credit Rebound

Bank lending regains momentum in China as the country fine-tunes its monetary policy to prevent a deeper economic downturn.

New loans denominated in the yuan totaled 586.8 billion yuan (\$92.7 billion) in October, an increase of 17.5 billion yuan (\$2.76 billion) from a year ago, said the People's Bank of China, the central bank.

The figure also represented a sharp leap from 470 billion yuan (\$70.02 billion) in September.

The broad money supply (M2), which covers eash in circulation and all deposits, went up 12.9 percent year on year to 81.68 trillion yuan (\$12.86 trillion) at the end of October. The growth rate was slightly down from September's 13 percent and well below the government's target ceiling of 16 percent for the entire year.

E Yongjian, a financial researcher with the Bank of Communications, said the lending rebound reflected vibrant domestic demands for credit, and it means policymakers may already be reopening the lending tap targeting smaller businesses.

"The central bank will rely more on open market operations to flexibly adjust liquidity, and a cut in the reserve requirement ratio is also likely to happen in the fourth quarter," he added.

"This is a meaningful pickup in new loans which suggests selective easing has already started," said Qu Hongbin, a Hong Kong-based economist with the HSBC. "This should help stabilize growth with small and medium-sized enterprises and increase credit support for ongoing infrastructure projects."

Airlines' Woes

China's airline giants generated lackluster returns in the third quarter due to weakening demand for air traffic. Air China, the country's biggest airline, raked in 3.8 billion yuan (\$598.43 million) in net profits during the July-to-September period, decreasing 26.46 percent year on year. The carrier attributed the poor performance to a slump in cargo transport of international routes, as well as soaring operating costs.

China Southern Airlines generated 3.13 billion yuan (\$492.91 million) of net profits for the third quarter, up barely 3 percent year on year.

China Eastern Airlines reported 3.3 billion yuan (\$519.69 million) in net profits, a modest increase of 4.85 percent. "The market continues to reel from fragile global economy, high crude oil prices and aftereffect of the devastating Japan earthquake," said Luo Zhuping, secretary of the board of the company.

"The third quarter is traditionally a peak season for air traffic, but the market was dragged down in part by domestic economic slowdown," said Li Lei, an analyst with the China Securities Co. Ltd.

Air China, in particular, received a heavy blow due to lower contribution from its associate airline—Hong Kong-based Cathy Pacific, said Li.

"China would remain a bright spot in the global aviation industry, but pressures are amounting on Chinese companies because of costs inflation and intensifying competition from high-speed railways," said Kong Dong, Chairman of Air China.

The Jinyu Sheraton Hotel Shining Over Global Trade Center In Beijing



The Jinyu Sheraton Beijing Hotel has opened at the Global Trade Center in downtown Beijing in October, 2011. Owned by Beijing Jinyu Property Operating Management and managed by Starwood Hotels & Resorts Worldwide, the hotel is conveniently located on the north Third Ring Road of Dongcheng District, with easy access to Beijing Capital International Airport and major attractions such as Tiananmen Square, the Forbidden City, Financial Street, the Olympic Stadium and the Great Wall.

The newly opened five-star hotel offers 441 contemporary guest rooms and suites, including a presidential suite, luxury suites, standard suites and executive rooms, as well as a large banquet hall and international multi-function meeting rooms, Chinese and Western canteens and specialty bar and cafeteria, which are able to fully meet the diverse needs of guests and business events.

During your stay, share a meal in one of our four restaurants, featuring Chinese, Japanese, Italian, and all-day dining, or get a refreshing drink in our lobby lounge. Relax

with a massage at the Shine Spa for Sheraton, take a dip in our indoor heated swimming pool or work out in our modern fitness center. And you can easily stay connected to home and the office with wired and wireless high speed Internet access in your guest room, the business center, or meeting rooms.

The opening of the Jinyu Sheraton Hotel not only provides an attractive option in Beijing, but also further enhances the competitiveness of the Global Trade Center with its high-quality service and first-class facilities.





Master Chef Mattias Roock Introduces Sant Moritz's Flair To Beijing!

Companions of European cuisine are invited to the Kempinski Hotel Beijng to taste authentic Swiss and Italian cuisine

"Higher, further, faster...better"—This is the motto of young and ambitious master chef Mattias Roock of the Kempinski Grand Hotels des Bains, who will come to visit us in Beijing to share his passionate commitment to gommet cuisine with our guests. After gathering a wealth of international experience with renowned chefs including Gordon Ramsey and Alaine Ducasse, Mattias Roock at the age of 31 is today the youngest master chef of the Kempinski Group, responsible for 4 restaurants and 70 employees in the Kempinski Grand Hotel des Bains in Swatzerland.

"My cuisine incorporates only the very best regional and international produce, making it highly appreciated amongst gournnets worldwide. Whereby some pay initially more attention to the presentation, for me the taste come first—whatever leaves my kitchen will be a delight for any gournnet," says

Mattias Roock, master chef of the Kempinski Grand Hotel des Bains. "This is a fantastic opportunity for any fan of gourmet food to try Switzerland's diverse cuisine and its remarkable specialities."

Johannes Mayr, Director of Food and Beverage at the Kempinski Hotel Beijing, is delighted to welcome Mattias Roock to Beijing. "It is a pleasure to welcome a chef of such high caliber to our hotel and Hook forward to give our gnests the rare opportunity to taste authentic Swiss cuisine at its best! I am very glad that Manias Roock decided to come all the way from Sant Moritz to spoil us with his delicious specialties!" said Mayr.

Starting from November 4, Trattoria La Gondola will feature an exclusive gournet set menu with Italian dishes for a period of 10 days. Meanwhile, Krauzler's Restaurant and Bar

offers a Swiss themed Sunday brunch on November 6 and 13, with traditional, versatile Swiss dishes, prepared in their original, most anthentic way.

All visitors are warmly invited to experience this delicious enisine until November 13. Invite your friends, family and colleagues to come and try this unique event of the culinary arts at the Kempinski Hotel Beijing!

Switzerland and Swiss Cuisine

Switzerland consists of four linguistic regions including German, Italian, French and Romansh. Each of these provides some of their own dishes, making Switzerland very diverse and versatile in its cuisine. The Swiss specialties include cheese as well as more exquisite food such as the famous Swiss chocolate.

Alaine Ducasse

Alaine Ducasse became the first chef to own restaurants with three Michelin Stars in three cities as well as the only chef to hold 19 Michelin stars throughout his career. He is internationally recognized for his published books and moreover opened a cooking school in Paris. In 2005 Alaine Ducasse opened a restaurant in Tokyo, Japan.

Gordon James Ramsay

Gordon Ramsay was the first Scottish chef to win three Michelin stars for a single restaurant and was awarded a total of 14 Michelin stars throughout his career. He is not only a chef but also television personality and restaurateur. In his well-known American reality television show "Hell's Kitchen," Gordon Ramsey is guiding a group of competing chefs through a range of cooking challenges.

About Kempinski:

Created in 1897, Kempinski Hotel is Europe's oldest huxury hotel group. Kempinski's rich heritage of impeccable personal service and superb hospitality is complemented by the exclusivity and individuality of its properties. Kempinski now comprises a portfolio of 66 five-star hotels in 29 countries and continues to add new properties in Europe, the Middle East, Africa and Asia. Each one reflects the strength and success of the Kempinski brand without losing sight of its heritage. The portfolio comprises historic landmark properties, award-winning urban lifestyle hotels, outstanding resorts, and prestigious residences. Each one exhibits the quality guests have come to expect from Kempinski while embracing the cultural traditions of its location. Kempinski is a founding member of the Global Hotel Alliance (GHA), the world's largest alliance of independent hotels.

To book or for further information visit: www.kempinski.com/press; www.globalhotelalliance.com





In the Name of Genius

Pushy parents and an inflexible system leave China's young math prodigies feeling cursed

By YIN PUMIN

iu Lu, a junior majoring in applied mathematics at the Changsha-based Central South University (CSU) in central China's Hunan Province, attracted worldwide attention recently by successfully solving the Seetapun Enigma, a notoriously difficult mathematical problem.

Liu found a way to solve the problem in October 2010, when he successfully proved a negative answer to the conjecture. He submitted his findings to the *Journal of Symbolic Logic*, an authoritative international academic journal, under the penname of Liu Jiayi. He won lavish praise from its editor in chief, Denis Hirschfeldt, an expert in mathematical logic and a professor at the University of Chicago in the United States.

"As someone whose research into this problem finally came to nothing, I am very delighted to see its final solution, especially with such a wonderful demonstration," Hirschfeldt wrote to Liu.

Another young talent, the 16-yearold mathematics prodigy Zhang Xinyang, came into the spotlight too, when he became the youngest PhD student in China this September.

It seems that China has an abundance of math geniuses, given the frequent reports of prodigies and China' success at international math competitions. However, the stark reality is that only a handful of world-class mathematicians are from China.

While some said what China's math geniuses lack is the access to instruction by world-class mathematicians, others pointed out pushy parents and the rigid education system have stifled their growth.

A math prodigy

Skinny, pale and bespectacled, Liu exudes quiet determination. The young man from Dalian, northeast China's Liaoning Province, told Xinhua News Agency that he was not born a math talent and neither of his parents was involved in mathematics.

But he unknotted a problem that has puzzled the international math community for more than two decades. The Seetapin Seetapun Enigma, Liu recalled, "It was more like a flash of inspiration when I was pondering the problem. In fact, it did not take me much time to demonstrate it."

"Maybe it is the accumulation of knowledge."

Enigma, a conjecture put forward by English

mathematical logician David Seetapun in the

1990s, is a problem of reverse mathematics.

Speaking of his efforts to crack the

"Maybe it is the accumulation of knowledge from my daily studies that prepared me for the solution," he said. "I was never a born genius, but I found my passion for the subject in middle school and never stopped cultivating it."

Liu started studying mathematical logic when he was a sophomore at CSU. For Liu, the complex theories that boggled the minds of his classmates were simply fun and intriguing puzzles to be solved.

In his classmates' eyes, Liu is a math genius, as he is able to transform complicated problems into simple and elegant equations and then provide radical solutions. Many, however, don't realize the sheer amount of hard work and toil he puts into his studies.

Liu was later invited to the Academic Conference on Mathematical Logic at the University of Chicago and delivered a 40minute speech on September 16. He was the only Asian college student present at the event

Amazed at what Liu did, three senior academicians at the Chinese Academy of Sciences (CAS) have recommended the 22-year-old for postgraduate researches, a year ahead of time. It is reported that CSU will admit Liu to successive postgraduate and doctoral programs under the guidance of Hou Zhenting, one of the top mathematicians in China as well as a professor at CSU.

"I'd like to encourage Liu to graduate sooner than next year," Hou said after meeting Liu. Hou also wrote recommendation letters to the Ministry of Education suggesting Liu's instructors prepare him for early graduation through intensive academic training.

Education to blame

Liu's case reflects the need for authorities to reform China's rigid exam-oriented education system.

As products of such a system, "students usually don't question what they are taught," said Li Banghe, a CAS academician, adding that many students in China are not able to conduct independent research.

But there are growing exceptions like Liu. As a divergent thinker, Liu often asked



STAR STUDENT: Zhang Xinyang, accompanied by his parents, attended the Beijing University of Technology for master's program back in 2008 questions which found no quick answers from his teachers, or gave correct but not standard answers to their questions, said one of his high-school math teachers, Gong Fujing.

"Liu's interest in math didn't target high grades. His divergent thinking was reflected in his study of other subjects, and even the pressure from the college entrance exam didn't erode his thinking habit," said Tian Jukun, another high-school teacher of Liu.

Independent college recruitment procedures in the United States ensure that gifted students like Liu are admitted to schools which will adequately nurture their gifts, said Yun Zhiwei, the gold medalist of the International Mathematical Olympiad (IMO) in 2000.

After winning the IMO gold medal, Yun transferred to Princeton University and later to the Massachusetts Institute of Technology.

Yun said Chinese math talents lack opportunities to be instructed by world-class professors. "Almost every research university in the United States has top professors working on the frontier of mathematical research. It is much easier for students to find tutors sharing similar research interests," Yun said.

In contrast, students in some math fields cannot find a professor to instruct their further research in China. Yun took his research of geometric representation theory as an example. "Because it's not a field well developed in China, it's hard to find experts, or even researchers," he said.

Most of the top 20 world-class mathematical institutes are in developed countries. "There is a wide gap between China and the United States, though the gap is narrowing," said Cao Yiming, a professor with the School of Mathematical Sciences at Beijing Normal University. "Some U.S. states even introduced laws to ensure researches on, training of and help to these gifted students."

For parents' satisfaction

Parents also play a key role in shaping the futures of child-geniuses.

After completing his master's degree at Beijing University of Technology, Zhang started his doctoral studies in fundamental mathematics at the Beijing University of Aeronautics and Astronautics (BUAA) this September. But Zhang said much of his childhood was "like mental torture."

A report by the Guangzhou-based Southern Weekend said the 16-year-old math whiz is not familiar with Chinese classical literature as his parents wanted him to focus entirely on math.

Zhang's parents have insisted that he concentrate only on his studies. Recently, his father found him playing computer games. After the ensuing argument, his father left



the BUAA and walked 50 km back to his home in Hebei Province.

"He wanted to punish me but in reality, he was actually punishing himself," Zhang said.

He claimed that his parents wanted him to pursue his studies in Beijing in order to realize a dream that they were unable to fulfill. In return, he threatened that he would find a job back in his hometown unless his parents buy him an apartment in Beijing.

"They planned my life and tried to convince me that what they were forcing me to do was what I actually wanted," he said.

In a recent CCTV interview, Zhang expressed anxiety over his future. He worried he would become the next Wang Sihan or Zhang Manyi, two geniuses who entered universities at the age of 14 but were expelled by the schools due to their poor academic performance.

Like Zhang's parents, many Chinese parents push their children too hard and insist on rigid teaching methods which, in many instances, stifle their children's gifts.

In contrast, Australian mathematician Terence Tao received extensive support from his parents. Tao won an IMO gold metal at the age of 13, completed his Ph.D. at Princeton University at 20, and won the world's top math prize—the Fields Medal—at 31.

Tao's father allowed the young prodigy to develop his talent at his own pace, allowing him to focus on the subjects and areas that interested him most.

Even Liu has benefited from his parents' laissez-faire education. He was sent to some courses of special interests such as IMO courses, but hasn't been severely reprimanded or praised for his school performance. This has allowed him to pursue what he truly likes and develop his independent thinking.

True interests count

Many Chinese math geniuses aren't really interested in mathematics, said Professor Cao. One survey Cao had last year said most of China's IMO gold medalists haven't taken math related jobs.

"Most of Chinese IMO contestants want to add the 10 or 20 additional scores to their final college entrance exam results, which an IMO medal will guarantee, or target the possibilities they will be admitted to top national universities," said Cao.

But different from answering questions in IMO competitions, cracking conjectures demands true interests and perseverance, because "it will take years before you enter the frontier of mathematical research at around 30s," Yun said.

Yun worked with Ngô Báo Châu, a 39-year-old Vietnamese mathematician and the Fields Medal winner last year. "Châu is persistent, sticks to his pace of research, and never makes haste to have his papers published, while having a nice taste for wine, music and world literature," Yun said.

Creation and innovation are enabled by a concrete and systematic knowledge base, said Xu Kuangdi, an academician of the Chinese Academy of Engineering. Xu encouraged students to read many literary works with powerful imagination because imagination will "enable divergent thinking, reasoning by analogy, and communicating by metaphor, and eventually lead to innovation," Xu said.





Scene Shifting

Luanxian embraces sustainable development by boosting its cultural tourism industry

By BAI SHI

he first Luanhe River Cultural Festival kicked off in Luanxian County, nearby Tangshan in Hobei Province on October 12, to commemorate the city's history, which is largely unknown to people today.

Invited by the local government, historians, cultural scholars and artists from across the country assembled in Luanxian for the festival and discussed how to develop local cultural heritage and tourism resources.

The history of Luanxian reaches back to about 3,000 years ago. The ancient Chinese established Luanzhou (the former name of Luanxian) and thrived there because of the Luanhe River, which starts in west Hebei Province and flows into the Bohai Sea. Therefore, people regard Luanhe River as the mother river of their local civilization.

As a land-water transport hub in China, Luanxian attracted tens of thousands of merchants to do business there and enjoyed a reign of prosperity for nearly 1,000 years. Also, both farming and nomadic cultures converged in this area along the Luanhe River, which contributed to a brilliant multi-

cultural environment in the county.

With abundant mineral resources, Luanxian has been an economic and transport hub in east Hebei Province since the late 19th century. But the county has decided to reclaim its former glory through regencration. Instead of relying on its industrial power, the county will explore its cultural heritage and develop leisure tourism featuring local traditions.

Balanced development

Luanxian has achieved rapid industrial growth since 1978. In recent years, the county has established six economic parks and several industry chains, such as metal refining, equipment manufacturing, agriculture and services.

Sijiaying iron ore mine—the second largest iron ore mine of Asia located 10 km south of the county, was put into production in 2008, and became an important pillar of the local economy. By the end of 2010, the GDP of the county had reached 26.2 billion yuan (\$4.12 billion), which ranked 17th at the county level in Hebei Province.

However, the Luanxian people won't rely only on nonrenewable resources for future development. The heavy industry has polluted the environment. Locals realize that there should be a balance between economic growth and environmental protection. Luanxian also has huge potential to develop and promote its immense traditional cultural treasures.

"We have to develop with both feet—
one is the established industrial sector, and
the other is culture and tourism, because
economic growth cannot be sustained by
exploiting ore mines forever," Lu said. The
booming cultural sector and tourism sector
can boost local urbanization, raise the image
of the county and improve the quality of the
people's livelihoods," said Lu.

Sustainable future

As part of the 12th Five-Year Plan (2011-15), Luanxian has made a plan to support local cultural projects and improve tourist facilities to realize sustainable development. Some of the scheme's projects are already under construction.

Luanxian has adopted a market-based approach to developing its tangible and intangible cultural heritages under the guidance of the local government. For example, Chuxiong Huitong Co. Ltd., a real-estate company of Yunnan Province, signed a contract with the county government to rebuild ancient Luanzhou city. Upon completion, a scenic complex with traditional Chinese architecture, covering 133.3 hectares and containing key historic sites, such as the ancient gate tower,





county office building typical to the Qing Dynasty (1644-1911), a bell tower and a drum tower. All the buildings will be built as they were during the Qing Dynasty.

"The company plans to invest 5 billion ynan (\$787.5 million) in the project," said Wu Yusheng, the contractor of the ancient city project. "Our company has completed several tourism projects including restoration projects across the country, achieving success for local tourism industries."

Huitong has also restored ancient towns in Yunnan in southwest China. One project for the Yi ethnic people, which was finished in 2005, has become the tourism backbone in the city of Chuxiong, said Wu.

The Luanxian Government is cooperating with Huitong because of its rich experience on developing tourism resources featuring traditional culture and ancient architecture.

The ancient city project, which was started in April 2010, is scheduled to be completed in 2015. It is not only a restoration of traditional architectures but also a comprehensive tourism complex, including a residential quadrangle courtyards, shops, restaurants, pubs, hotels and conference centers. Tourists will find everything in this district that they would need for a historic and relaxing experience.

Skyscrapers, quadrangle courtyards and a beautiful river bank area will complement the renewed Luanxian by combining ancient architecture with modern infrastructure.

The county has also launched an extensive program of rebuilding and redecorating

heritage sites. For instance, the Wenfeng Pagoda was first built on the top of Yanshan Mountain near Luanzhou in 947 during the Liao Dynasty (916-1125). But the ancient tower was damaged in the Tangshan Earthquake in 1976. The pagoda was eventually rebuilt in 2009. Standing atop the hill, people can enjoy a bird's eye view over the county and Luanhe River.

In addition to the tourism resources, the county is located near the arterial traffic highways and railways that link Beijing, Tangshan and northeast China, which is an advantage to develop tourism and the service industry. Statistics released by the county government shows that 1.38 million tourists that have visited Luanxian in the first 10 months of 2011. As a mid-way station, millions of tourists may stop at Luanxian for a short stay during holidays every year, which will provide a needed boost to the local tourist industry.

By 2015, the annual number of tourists in the county is expected to increase to 4 million. The annual tourism income is expected to exceed 1.5 billion yuan (\$236.4 million) which will account for over 10 percent of its GDP, said Lu.

Culture is key

On the opening day of the Luanhe River Cultural Festival, the Research Center of the Luanhe River Culture was founded, aiming to protect and promote traditional cultural heritage. The river flows through 27 cities and counties, but Luanxian is the only one

(From left to right)
WELCOME CEREMONY: Luanxian
County held a traditional ceremony to
welcome tourists on October 27

TRADITIONAL STREETS: Luanxian County has restored its streets incorporating traditional style and features

SHORT BREAK: A man takes a brief respite in an exquisite pavilion near a newly developed zone

that dedicates funds to the study of the traditional culture along the waterway.

"Without a prosperous cultural sector, a city won't have its own spirit no matter how big it is," said Lu. In fact, Luanxian is the hometown of many arts and crafts, such as *Pingju* Opera (a local opera of north and northeast China), shadow play and paper cutting. These arts and crafts typically represent the characteristics of the Luanhe River area as civilization spread from inland areas to the northeast in ancient times. Such art forms were enriched by the local people.

Luanxian has built museums and repaired historic sites to preserve its intangible culture heritage in recent years. For example, local museums have a collection of more than 1,000 pieces of cultural works and historic relics. And a cultural park in the county also presents 100 historic figures and stories of the area through statues and murals.

Today, Luanxian is making efforts to boost its cultural and tourism sectors. For the people of Luanxian, only by transforming the intangible heritage into a durable impetus will the county embrace sustainable development and a bright future.

Mistake Survivor

Beijing Review continues to publish edited excerpts of Why and How the CPC Works in China. Edited chapter three—How Did the CPC Keep the People's Support Despite Its Mistakes is as follows:

The CPC not only has experience in leading the Chinese revolution, construction and reform, but also has learned lessons from its past mistakes, which caused great losses to the party, state and nation. The serious mistakes mainly refer to those committed during the period from 1957 to 1976, when the "cultural revolution" ended. In Deng Xiaoping's words, the CPC had engaged in the "left" practice for 20 years. He said that for two decades the income of peasants and workers increased very little, and their living standards were very low. Productivity did not develop much. But the CPC did not lose the support of the people because of its mistakes.

The CPC's awareness and practice of responsibility, truly sharing weal and woe with the masses, and its responsible attitude,

speech and action, showing that it has the courage to face and correct mistakes, won the understanding and support of the broad masses of the people.

From 1949-1956, it took New China only seven years to complete the socialist transformation of private ownership of the means of production and build a socialist society. At the end of 1957 most construction indicators of the first Five-Year Plan (1953-57) were over-fulfilled, due to the Chinese people's determination to change the impoverished and backward state of the country.

Under these circumstances, the "Great Leap Forward" movement (1958-60) was launched without serious investigation, research or even a pilot study by the CPC, which had no experience in socialist construction and an inadequate understanding of the laws of economic development and the

basic situation of China's economy.

The "Great Leap Forward" disrupted the national economy, wasted a lot of manpower and resources, and caused a serious imbalance in the proportion of industry to agriculture. From 1957-1960, the average food consumption of urban and rural residents decreased by 19.4 percent, and percapita consumption in rural areas shrank by 23.7 percent.

Losses caused by the "Great Leap Forward" amounted to an estimated 120 billion yuan (\$18.9 billion, according to the latest exchange rate).

In the very difficult years from 1959-1961, people did not have enough to eat. In 1962, people's lives began to get better, and gradually reached their original level. But the "left" mentality persisted, and led to the disastrous "cultural revolution" (1966-76).

The "cultural revolution" was a catastrophe: Politically, it confused friend with foe, and people were unjustly, falsely, or wrongly charged or sentenced. Economically, it denounced the "doctrine of the unique importance of the productive forces," and "the national income lost 500 billion yuan (\$78.8 billion, according to the latest exchange rate)." Culturally, it caused "a hundred flowers to wither" (only a limited number of operas and shows were produced and performed on stage), and education and science and technology suffered heavy losses. The 10-year calamity widened the economic, scientific, cultural and educational gap between China and the developed countries.

The "Great Leap Forward" and "cultural revolution" brought huge losses to the party, the state and the nation, and their lessons were profound. Through study of and reflection upon the "Great Leap Forward," the "cultural revolution" and other mistakes, people could come to different conclusions from different perspectives, but from the perspective of the CPC's independent exploration of its own path to socialist construction, the two movements had something in common, that is, they both reflected a serious departure of subjective knowledge from



GREAT HURDLE: Workers producing steel in backyards using simple labor-intensive methods during a mass steel campaign in 1958, which caused a great waste of manpower and materials

objective reality, and of effect from motive.

The aim of Mao Zedong's launching of the "Great Leap Forward" was to quickly change the backward nature of the country, so that China could soon become a great power and catch up with the developed countries. The problem was: The ways and means to achieve this goal ran into trouble, so the effect of the "Great Leap Forward" was negative.

The "Great Leap Forward" caused great destruction and waste to industrial and agricultural production and construction. However, much of the work of industrial construction, scientific research and cutting-edge technology development in national defense, construction of water conservancy, and the mechanization and modernization of agriculture began in those years.

The most outstanding development was in the petroleum industry and euttingedge seience and technology for national defense. China had previously been considered to be a country lacking in oil, which it had to import. But in 1959 a huge oil reserve was discovered in northeast China's Daqing area. In 1960, when the national economy was suffering its worst difficulties, the CPC Central Committee decided to deploy workers, cadres and technical personnel from various sectors to focus on the exploration and development of the oilfield at Daqing. In just one year, the extent of the oil deposit was ascertained and trial production was conducted. Within three years, China's largest oil base was set up, and its production accounted for two-thirds of the national total. By 1965 China was self-sufficient in oil.

Hu Qiaomu, a long-time secretary to Mao, also pointed out that during the 20 years of "left" mistakes, as a whole the country's economy still developed. Even during the 10 years of the "cultural revolution" there were achievements in science, technology and diplomacy. It was these achievements that enabled the CPC to reunite the people and get their support after mistakes and setbacks.

Another important reason why the CPC retained the people's trust and support was that Mao and the other leaders stuck with the masses through thick and thin.

During the difficult period for the national economy, people's lives were very difficult. Mao and other central leaders felt they should experience this in person, so they took the lead in tightening their belts during the difficulties. In order to set an example, Mao himself stopped eating his favorite braised pork. He held three birthday celebrations during the period and, judged from the recipes preserved, there was no liquor, no birthday cake, and not the slightest atmosphere of rejoicing and festivity was to

be seen. December 26, 1962 was Mao's 69th birthday. He had his breakfast and a bowl of cereal in the evening only. At the same time, Mao reduced his own salary from 600 yuan for level-one cadres to 404.8 yuan per month for level-three cadres. This was not changed until his death in 1976. In order to further narrow the wage gap and facilitate closer relations between leaders and the masses, the following arrangements were made regarding the reduction of existing wage standards for responsible state organ cadres of the CPC: Wages at levels one, two and three would be reduced by 12 percent; level four by 10 percent; level five by 8 percent; level six by 6 percent; level seven by 4 percent; level eight by 2 percent; and levels nine to 17 by 1 percent. The wages of CPC cadres in enterprises and institutions equivalent to

ism the CPC made no attempt to cover up the truth, but openly admitted, reflected on and corrected the mistakes, and learned from them.

For the mistakes in the course of the "Great Leap Forward," Mao Zedong volunteered to assume personal responsibility. And when the "cultural revolution" ended, the CPC Central Committee started to restore things to order. The Resolution on Certain Questions in the History of the CPC Since the Founding of the People's Republic of China, adopted by the CPC Central Committee in June 1981, totally condemned the "cultural revolution" as a serious mistake, and at the same time clearly pointed out that Mao should be mainly held responsible for those mistakes.

The practice that the CPC makes no attempt to cover up its mistakes, but corrects them promptly is in line with the Chinese criterion of judging the "mistake of a gentleman." Therefore, it is not difficult to understand why the CPC still enjoys the support of the masses

level 17 of those of state organs were similarly reduced. The wages of responsible CPC cadres on military service were reduced accordingly.

They had reduced the wages for senior cadres three times, and clearly stipulated that wages for senior cadres should not be increased any further. Wages of cadres, workers and staff members should only be raised gradually on the basis of production development to improve the people's lives.

Throughout its history, Chinese society had developed a collective mentality in which communities - from the smallest family to the country as a whole-shared weal and woe. If a family encountered difficulties, the couple and their relatives would resolve them jointly; if the country was in trouble, people with lofty ideals would offer all they had to help. The ancient Chinese historical work Intrigues of the Warring States: Strategies of Yan, tells how the Prince of the state of Yan personally attended the weddings and funerals of every family, sharing happiness and misery with his people. Eventually, under his rule, the state of Yan became prosperous and its people well-off, and the prince himself was widely esteemed.

When it made serious mistakes during its exploration of the correct road to social-

While acknowledging that Mao made some mistakes, the CPC Central Committee also correctly evaluated his achievements, setting to right the two kinds of incorrect trends of thought which either completely affirmed or negated him. Deng Xiaoping pointed out that Chairman Mao's achievements should rank first, and his mistakes second; he was the main founder of the CPC and the People's Republic of China. "What he did for the Chinese people cannot be denied," he said.

In the last chapter of the Analects of Confucius, there is a saying: "Mistakes of a gentleman are like eclipses of the sun and the moon; if one makes a mistake, everyone will see it, but if he corrects it, all will respect him." The practice that the CPC makes no attempt to cover up its mistakes, but corrects them promptly is in line with the Chinese criterion of judging the "mistake of a gentleman." Therefore, it is not difficult to understand why the CPC still enjoys the support of the masses.

"Upholding the truth and correcting mistakes as they occur" will continue to be the working attitude, method, and creed that the CPC needs to adhere to in order to keep the trust of the people in the future process of reform and development.

Beijing Business Directory CD-ROM 2011

The most comprehensive directory of top Chinese and Foreign companies in Beijing.

- · More than 5,200 company offices
- · More than 5.600 named contacts
- · More than 3,400 email addresses
- · Listings include managers' names and telephone numbers

CD-ROM* powerful features:

Print labels

- Annotate entries with notes
- · Link to listed company websites
- Export emails to Excel
- · Fully searchable

OUT NOW Only US\$300



CONTACT US TO ORDER

Tel: +852 3755 6729, or +86 21 5187 9633 ext. 864

order@sinodb.com

www.sinodb.com/onlinestore/store



Beijing Sinotrans Co. Ltd.

Translators and Translation

Beijing Sinotrans Co. Ltd. is not only a provider of multi-lingual translation services, but also interpreters across cultures, thanks to its decades of business experience in China. We provide our clients with total solutions for marketing and localization of website and documents, either in written or other forms.

With the expansion of its business, Sinotrans is now recruiting the following

Translator/interpreter

Director of translation department

Marketing executives

If you are

- —competent in linguistic translation
- -well-experienced in the language services market
- -ambitious to start your own career in translation

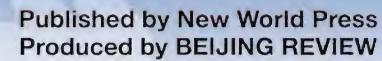
You are welcome to join our team.

Language translation please call: +86-186-1055-2411

Applicants please send your resume to bjsinotrans@yahoo.cn

www.4sinotrans.com

Presented by China International Publishing Group



Sales hotline: (8610) 68996289 68996288 E-mail: chenwenwendy@gmail.com



Available at Shanghai Foreign Book Store, various audio and video stores, and CIPG's overseas branches

A cultural travelogue for foreigners

A historical review through multilingual DVDs

A 360-degree look at dynamic Shanghai

A reflection of the host city during the 2010 World Expo

Days and Nights in Shanghai, released in four 60-minute versions in Chinese, English, French and Japanese, presents the city's glamour, history and culture, scenic spots and tourist attractions through narrations and eye-catching visuals.

Contents of the DVD

Welcome to Shanghai

07:00-08:00 Eternal Waibaidu Bridge

08:00-09:00 Fairview-The New Shiliupu Dock

09:00-10:00 Multinational Architectures on the Bund

10:00-11:00 A Museum You Cannot Miss

11:00-13:00 Dining at City God Temple and

Sightseeing in Yu Garden

13:00-14:00 Jinzhi Yuye Cheongsam Store

14:00-15:00 Memories Hidden in the Streets

15:00-16:00 Tianzifang—Shanghai's Greenwich Village

16:00-17:00 New Height of the City

-Shanghai World Financial Center

17:00-19:00 Sunset on Riverside Avenue

19:00-20:00 Hengshan Road in Moonlight

20:00-21:00 Nightlife in Xintiandi

21:00-22:00 Shopping at Nanjing Road

19:00-24:00 The Brilliant World Expo Site

Should Universities Use Family Background As a Standard for Recruiting Students?

Renmin University of China (RUC) has launched a project to help students from rural areas realize their dreams of going to college. This was part of the university's 2012 recruitment policy. The project aims at giving an opportunity to rural students with good academic performance, if there are no college students for three generations in a student's family.

Over the past years, many people have argued that universities shouldn't select students only according to their performance in the national college entrance examination, but should have more independence to give preference to students they think are more in accordance with the universities' principles.

Statistics show that the proportion of rural students in China's top universities has been declining since the 1990s, and many universities have adopted preferential policies for poor districts and poor students.

RUC is not the only university that has introduced preferential policies for

the independent recruitment of students from rural areas. For instance, Tsinghua University has asked each of the 592 poorest counties in China to recommend rural students whose scores in the national college entrance examination are 60 points lower than the admission line to apply to the university.

These preferential policies for rural students have aroused hot debate in the country.

Supporters say as it's now much harder for rural students to go to top universities than before due to increasing tuitions and the unbalanced allocation of educational resources, these preferential policies have brought new hope for rural students. This is a very good attempt for universities to do their best to correct previous flaws in their recruitment policies, which should be encouraged.

On the other hand, opponents think these policies can't really solve the problem and enrolling students by taking their family background into consideration will do great harm to the fairness and justice of the national college entrance examination.

Good try

Li Xiangqian (Legal Evening News): The requirement of "no college students for three generations in the family" mainly aims at bringing more attention to the special group of poor students, rural students and students from remote areas. It can also make the student population in universities more balanced. Therefore, I think it's a very good policy.

The standard is very strict because the university wants to help realize the dreams of the poorest and the most needy students. As a university with a high sense of social responsibility, RUC aims at giving more hope to rural and poor students, benefiting an underrepresented group that has no power to express itself in society.



Ma Guilu (www.cnhubei.com): We should welcome the independent choice of universities to enroll candidates. RUC initiated the new policy because it has its own independent thought in solving the injustice in the allocation of educational resources in China. It's uscless to blame RUC for its independent choice when enrolling candidates because it will do harm to RUC's independence.

The project of RUC aimed at people who would have a hard time being admitted by RUC without others' help and people with good academic performance at school but difficulties in life. Therefore, it's a very precious attempt for RUC to initiate a plan especially for rural students.

There's nothing wrong with the standard of "no college students for three generations in the family." We all know that there are far fewer rural students than urban students in universities nowadays. Especially in China's top universities, rural students only account for a very low proportion. It's a fact rural students struggle to get admitted by famous universities. For instance, in 2010, rural students only accounted for 17 percent of the total number of new enrolled students at Tsinghua University.

Under the current circumstance of unbalanced allocation of educational resources, giving preferential policy to rural students is adding to fairness in the area. It seems to be unfair to make "no college students for three generations in the family" a recruitment requirement but it actually is fair because it can help those families that haven't received any higher education.

All areas in society should pursue fairness, and fairness of education is the key to all justice. RUC's independent student enrolling policy is a beneficial attempt for more fairness in education. RUC has its own enrolling policy and it is free to do whatever it thinks is right. We should stop making quick judgments, but should wait and see the real effect of the policy.

Pu Jiangchao (Workers' Daily): Although somewhat new, it's ok to stipulate "no college students for three generations in the family" for students who can be recommended to be admitted by RUC. The plan is within the power of RUC's independent enrollment and RUC should have the right to initiate special rules to recruit students more in accordance to its characteristics and managing principles.

We all know that it's a great glory, hope and motivation for a rural family to have a college student in the family. On the other hand, if there aren't any college graduates for several generations in the family, it means the family's hope of going to upper society will vanish and its poverty will continue. RUC's new policy is giving this kind of families a chance to realize their dreams of changing their fate by receiving higher education. This policy shouldn't get too much questioning and blaming.

Under the current circumstances of unbalanced allocation of educational resources, top universities in China, such as Tsinghua University, Peking University and Renmin University, have all initiated preferential policies for rural students, showing their greater sense of social responsibility. It's a very comforting fact and needs our encouragement. In order to fulfill more rural students' dreams for entering universities, I

now chooses talents not based on their academic performance?

Qi Kailin (www.pdsxww.com): The root of the injustice in China's education system lies in the unbalanced allocation of educational resources, Therefore, if the government really wants to give rural students a fair opportunity, they should increase their investment in fundamental education in the rural districts to balance the education resources of the urban and rural districts. Only in that way can all students compete in a fair way for top universities. Therefore, it's useless to establish a quota for rural students.

Yu Xinhua (Guangzhou Daily): The key problem with RUC's project is that it

Dear Readers,

"Forum" is a column that provides a space for varying perspectives on contemporary Chinese society. We invite you to submit personal viewpoints on past and current topics (in either English or Chinese).

E-mail us at byao@cipg.org.cn

Please provide your name and address along with your comments.

think more universities should make preferential policies for them.

Bad influence

Fu Wanfu (*Hefei Evening News*): We can only use family background to deal with the injustice in the allocation of educational resources, which is a sad fact for Chinese society.

We should ask ourselves a question: Why are there fewer rural students in top universities? Let's take a look at the following statistics: In 2010, on average, Peking University has admitted 45.4 students out of 10,000 applicants from Beijing, about 30 times the national average admittance level, which is 1.55 students out of 10,000 students.

That's the reason for the reality that fewer rural students are in universities. Instead of studying how to add to more justice and fairness in the national college entrance examination, RUC chose to avoid the real problem and reserve some spots for students from rural and less developed areas. Isn't it sad that our education system

doesn't maximize work efficiency within the limited educational resources.

People are bound to ask why members of poor farmers' families should be enrolled but not those people with "no officials or bosses" in their families. Is it fair? Is the decision made based on careful consideration?

Taxpayers have the right to supervise public universities to ensure that every policy is in the public interest. Universities suffer from a lot of interference from officials and lack effective supervision. And even if taxpayers cannot directly manage public organizations like universities, they are alert to the use of public resources for education.

Universities are not trusted because of the scandals many of them are involved in, such as corruption and plagiarism, which reflect the problems on campus.

So the supervision of taxpayers can be a necessary mechanism for correcting universitics' errors. People have the right to question RUC's decision of taking family background as a standard for recruiting students.

Herbert the Cabbie

By ADAM MOORMAN

axi drivers in Xi'an tend to fall into one of two categories: the nice ones and the nasty ones. The majority of drivers belong to the first group and are usually talkative and friendly. If a foreigner manages to say his destination convincingly in Chinese, they will likely react with an excited "waaaa!" and go on to complement the foreigner's language level, despite the fact he or she may have only said three words. This kind of driver tends to engage me in conversation throughout the journey, asking the usual things about Chinese food, my opinions of China, and wildly overestimating my salary. But some drivers move quickly beyond the standard script, and get into very diverse topics. I have had some of my most interesting Chinese conversations with Xi'an taxi drivers, who each seem to have their own special field of expertise, carefully developed and honed on their endless journeys around the city.

A journey with the second category of driver is much less enjoyable. These cabbies are the ones who speed off the instant I sit down, leaving me gripping the door handle and pushing a foot against the back of the front seat in preparation for the seemingly inevitable crash. They make little conversation, and instead stare intently ahead, hell-bent on

driving as fast as every available stretch of road will allow. They wrench the car in and out of gear. They seem incapable of keeping the steering wheel straight as they hungrily search for gaps to speed into. The only plus point to these drivers is that there is little danger of them wasting either my time or my money.

And then one day, I stepped into a different kind of cab. As I sat down in the back seat, the driver turned around and said, in English, "Hello, sir. Where are you going?" I almost couldn't comprehend what was happening, and blurted out my destination in Chinese. The cab pulled away into the stream of traffic, and soon the driver and I were engaged in a gentle linguistic tug-of-war. He asked me a question in English, I answered in Chinese, he asked something else, and so on until his smiling persistence had me speaking my mother tongue, slowly, to him.

We were going to the airport, and that left enough time for the dialogue to develop. His confidence grew the more he spoke, and soon he was explaining how he shared his cab with his brother-in-law, how he had worked for a state-owned company for many years before being made redundant, and how Xi'an had changed during his lifetime. I discovered that he had learned English while ferrying passengers around the city. At school he had studied



EXPATS, WE NEED YOUR STORIES!

If you're an expat living in China and have a story or opinion about any aspect of life here, we are interested to hear it. We pay for published stories.

Submissions may be edited.

E-mail us at contact@ bjreview.com.cn

Please provide your name and address along with your stories.

Russian, but he couldn't remember any of the language. By his own admission, he was a bad student. Although he needed time to formulate what he was going to say, his English was surprisingly good. The unhurried atmosphere of the cab ride seemed the perfect platform for him to showcase his skills, and his slow speech mirrored his sedate driving. His listening was not so sharp, however, and I often had to repeat and simplify my questions before he grasped what I was saying. It was as if my words were reaching him from far away. He would concentrate intently when listening, narrowing his eyes slightly, and finally announce his understanding by exclaiming "Oooohhhh, I see. Yes," then begin his response.

As we pulled up to the airport terminal, I felt reluctant to bid farewell to this unique individual. I thought about all the times when I needed to take cabs at awkward times, like the daily four o'clock shift change that effectively takes taxis out of circulation for two hours, and asked him for his mobile number. He seemed used to this kind of request, and happily handed over a blue business card. I politely studied the Chinese printed on the front, then turned it over as I put it in my wallet. Printed on the back in English was the message "We'll be friends and happy once we meet and have a deal." When I asked him if he had an English name, he replied "Of course. I am Herbert.'

I have since had many occasions to call Herbert, and I'm not the only one. I have often heard him make calls from his mobile, using his measured English to arrange his next ride with a foreign client. Herbert's fame has even spread to some of Xi'an's expat websites and blogs. I'm sure he never imagined that his resourcefulness and perseverance in using English would turn him into a local celebrity, but it has.

The author is a British living in Xi'an

SHIGONG



Jinyu Mansion and Dacheng Plaza enjoy convenient transportation links with subway lines 1 and 2 next door and more than 20 bus routes stopping by them. The Financial Street is to the north; the Xuanwu Western Street to the south; the West Second Ring Road is adjacent.

The total area of Jinyu Mansion and Dacheng Plaza reaches 100,000 square km with unitary property rights and management. Those two buildings are next to each other, with 23 floors above ground and three under. With an elegant appearance, the buildings contain multi-function conference centers, a high-quality leisure center, banks, and dining rooms for business people. With the most advancing hardware systems technology, they are the best place for constructing an ideal, highly-efficient business center as the two brightest stars in the Financial Street District.



Lease Hotline: 010-66422688 010-66416571 Fax: 010-66416988



Lufthansa, the first European airline to fly the new A380 directly from Beijing to Frankfurt.



There's no better way to fly.

Lufthansa

德国汉莎航空公司